

On stream On time  
with  
**Capper Neill**  
On site

Process Plant Design  
and Construction  
Worldwide

**SRD**  
The Symbol for Fabrics  
Ask for Freedom Suitings

## NEWS SUMMARY

### Begin survives Knesset vote

Israeli Premier Menachem Begin's Government defeated 59 to 58 a no-confidence vote in the Knesset on its handling of the economy. There were three abstentions.

However, the Government has lost its parliamentary majority and is unlikely to be able to continue for very long. Page 4

### N-talks resume

U.S. and Soviet negotiators to start a second round of talks in Geneva on curbing medium-range nuclear missiles in Europe. Page 4

### Firemen's dispute

Fire Brigades' Union delegates voted for a 17-point industrial action plan over a dispute with the non-TUC affiliated National Association of Fire Officers. Page 10

### SDP two rebel

Two SDP MPs, John Grant and Dickson Mabon, voted against the Employment Bill last night. The party line was to abstain. The Bill was given a third reading. Parliament, Page 11

### Air crash: 8 dead

Six Munich food chain executives were killed when a light aircraft crashed near Kassel. The pilot and co-pilot also died. Page 10

### Jail for Sophia

Address Sophia Loren returned to Italy to serve a one-month prison sentence for a 1983 income tax offence. Page 10

### Zimbabwe deaths

A gunman was killed and a farmer wounded when armed men attacked two white-owned farms on the edge of Wankie National Park, Zimbabwe. Page 10

### Elwyn Jones dies

Elwyn Jones, former head of BBC television drama series and creator of Z-Cars died aged 59 in South Wales. Page 10

### Ex-newsman dies

Former BBC newsreader Corbett Woodall died in his sleep at his London home, Mr Woodall 53, suffered from rheumatoid arthritis. Page 10

### 'Punish clubs'

Football clubs with violent fans should be put out of business by making it too expensive to afford a police presence at games. Police Federation chairman Jim Jardine said. Page 10

### Kidney lasers

Lasers may be used to remove kidney stones for the first time after a breakthrough by specialists. Page 9

### Officials increase

The number of Department of Employment officials increased by 20 per cent in the past financial year, mainly because of increased demand for unemployment and other benefits. Page 9

### Naked protest

About 200 men and women paraded naked through Hanover to protest against an exhibition of electronic weaponry. "It made a pleasant change," said a police official. Page 9

### Briefly...

BBC reporter Jonathan Crane was named industrial journalist of the year in the Blue Circle awards. Page 9

Three paintings by Sir Winston Churchill fetched nearly £17,000 at Sotheby's. Page 19

Second edition of Hollishead's Chronicles, from which Shakespeare took plots, fetched £10,500 at Christie's. Page 19

Historic Monnow Bridge gateway arch, Monmouth, was badly damaged by a bus. Page 19

### Chief price changes yesterday

(Prices in pence unless otherwise indicated)

RISES	FALLS
Assed Newspapers 215 + 7	Blue Circle 464 - 16
Camrex 59 + 4	Boots 236 - 8
Daily Mail A 428 + 8	Chemring 350 - 15
Greenfields Leisure 35 + 4	Glaxo 480 - 10
Hepworth (J.) 110 + 4	GUS A 480 - 10
Johns & Co 114 + 11	Grindlays 316 - 12
Millets Leisure 223 + 1	Hamro Life 287 - 10
Hartbeest 245 + 15	Imperial Group 93 - 3
Imperial 368 + 41	Lloyds Bank 388 - 7
Imperial 368 + 41	Pearl Assurance 362 - 10
Imperial 368 + 41	Redland 168 - 6
Imperial 368 + 41	Robbans Int'l 91 - 31
Imperial 368 + 41	Royal Insurance 325 - 18
Imperial 368 + 41	Sun Alliance 585 - 11
Imperial 368 + 41	Unilever 105 - 4
Imperial 368 + 41	Woolworth 282 - 6

### Gold up \$5.25 in London

STERLING fell 1.75 cents on the day to close at \$1.7965 in London. It dropped to DM 4.17 (DM 4.21, SwFr 3.555 (SwFr 3.5725) and FF 10.57 (FF 10.905). Its trade-weighted index was 59.6 (90). Page 40

### Dollar rose to DM 2.3205

(DM 2.315), SwFr 1.978 (SwFr 1.988), FF 6.055 (FF 6.0125) and ¥239.1 (¥238.9). Its trade-weighted index was 112.4 (113.2). Page 40

### GOLD rose \$5.25 in London

to \$342.5. In New York the COMEX May close was \$341.2 (\$340.8). Page 37

### EQUITIES: the FT 30-share index

was 10.5 down at 561.9 for a three-day drop of 28.7. The FT-Actuaries All-Share index slipped to 326.81, compared with its May 10 peak of 338.53. Page 39

### GILTS: the Government Securities Index

fell 0.53 to 68.52. Page 39

## France queries Britain's future in EEC

BY OUR FOREIGN AND POLITICAL STAFF

FRANCE heightened tension in the European Community yesterday with a warning that Britain's actions could call into question the UK's future role in the EEC, and even continued membership.

In a statement issued after the decision of seven member States to override the UK attempt to block this year's increase in farm prices, President Francois Mitterrand said the question now was "what role Britain saw herself playing" in the EEC.

Britain's "presence, or the nature of the British presence, in the Community" depended on the answer to that question, Mitterrand said.

In London, the Government and Whitehall appeared to be trying to avoid the farm prices rebuff blowing up into a major crisis while the UK sought EEC help on other vital issues.

These include support over the conflict with Argentina as well as efforts to reduce Britain's contributions to the EEC.

It is believed to be the first time since Britain's admission to the EEC that a French President has in such forceful language called into question Britain's continuing membership.

Mitterrand's intention appears to have been to exert pressure on the Government, due to consider its next step at a Cabinet meeting today, against taking any precipitate action such as withholding EEC budget contributions.

Though it is not spelt out, the French President's statement holds out the threat of retaliation, while raising again the possibility of a two-tier EEC with Britain on the lower rung.

Mitterrand emphasised that France would not renounce the "Luxembourg compromise" by which Community decisions are taken on a unanimous ministerial vote, when it was "truly a question of a vital interest."

The refusal of seven EEC Ministers to recognise Britain's claim to the right to apply this convention in the farm price vote precipitated the present crisis.

Mitterrand's strong words, issued from Alsace at the start of a tour of Africa, were backed by M. Pierre Mauroy, French Prime Minister.

He told the National Assembly that Mrs Margaret Thatcher had found in Mitterrand someone "as inflexible" as herself.

M. Mauroy said the President had told Mrs Thatcher in London on Monday that he would not have signed the May 1980 EEC budget agreement with Britain which was agreed by former President Giscard d'Estaing.

"France would, therefore, Britain to seek permanent legal Community veto. Page 11

How Britain was outflanked. Page 20

Go-ahead for UK farm price rises. Page 37

Reactions, Page 3

Britain to seek permanent legal Community veto. Page 11

How Britain was outflanked. Page 20

Go-ahead for UK farm price rises. Page 37

Mr Peter Walker, the Agriculture Minister, told the Commons yesterday that Britain would press at that meeting to revise and strengthen the Luxembourg compromise.

Britain considered the compromise vital, he said and would press to have it enshrined in Community law in a manner which was binding.

The constitutional issues raised by the farm price vote will be tackled "vigorously and speedily" at the Foreign Ministers' meeting, the Foreign Office made clear yesterday.

However, the feeling in Whitehall was that all efforts should be made to limit the damage which Ministers fear could come from any over-robust reaction to the double rebuff Britain received this week, the limited and partial Continued on Back Page



Mitterrand exerts pressure

## Fear of deadlock at UN talks

BY PAUL BETTS IN NEW YORK AND PETER RIDDELL IN LONDON

THE United Nations Security Council was meeting last night behind closed doors for urgent consultation on the Falkland Islands crisis, amid signs that the 12-day peace efforts of Sir Javier Perez de Cuellar the UN Secretary General, were deadlocked.

A full Security Council meeting took place after Sir Anthony Parsons, Britain's chief delegate at the UN yesterday afternoon gave the Secretary General the British Government's reaction to the latest settlement ideas put to Britain by Argentina, late on Tuesday night.

At Westminster the feeling grew that a major stepping up of British military action to retake the Falkland Islands was beginning to appear inevitable. The Prime Minister, Mrs Margaret Thatcher, in a radio interview said the outlook for more negotiation did not "look very encouraging" and the gap between the two sides seemed wide.

In Buenos Aires diplomats argued that Argentina had tried to be conciliatory, in particular over the crucial questions of future administration and sovereignty over the Falklands. But they said that Britain had hardened its stance.

Mrs Thatcher is expected to outline the course of negotiations and the future direction of British policy when she opens the sixth Commons emergency debate on the crisis this afternoon. Continued on Back Page

## U.S. parent poised to run Woolworth

BY RAY MAUGHAN

THE U.S. parent of F.W. Woolworth is poised to take direct management control of the ailing variety store chain for the first time since the British subsidiary emerged as a public company over 50 years ago.

The New York company, which shares with its UK offshoot the same name, operational style and recent lack of profitability, has appointed an executive vice-president as chairman and chief executive (see page 10) and is expected to succeed Mr Geoffrey Rodgers, the chairman and chief executive, on his retirement next March. Mr Rodgers, who is aged 60, would have been due for retirement two months ago. In line with company policy but had agreed to remain in office for an additional year.

Mr Arnold S. Anderson, senior vice-president of the parent, has been appointed to the UK board, joining Mr Edward Gibbons, the U.S. chairman, and Mr John Lynn, vice-chairman, in Britain in a non-executive capacity.

The board changes follow the resignations last week of two executives from the UK board for what were described as personal reasons. Mr J. H. Bradwell, a director in charge of buying, and Mr J. Blair, who had responsibility for Woolworth's extensive property portfolio, departed within two weeks of their re-election at the annual meeting.

Mr Rodgers faced strong criticism from shareholders at that meeting over the dividend cut for 1981 and the decline in profitability.

Woolworth produced profits of £22.1m before tax last year showing a sharp successive fall in profits of £36.5m and £56.4m for 1981 and 1980 respectively. In the first three months of the current year, losses from the 1,000 UK stores had deepened further to £2.35m. The first quarter, however, is always regarded as the "least significant" of the four.

The UK company has attempted to arrest the decline in earnings by upgrading its product range and responding to trends in the British high street moving into specialist areas such as Do-It-Yourself stores.

The parent, too, has been struggling. Its first-quarter losses deepened to \$16m (£8.9m) after tax against a deficit of \$2m in the comparable months of 1981 and its debt rating was lowered by Standard and Poor's, one of the main U.S. credit rating agencies, last December. Its shares, however, have been attracting strong speculative interest recently on bid rumours and the group, which takes in outlets to Mexico, Canada and "virtually every sizeable community in West Germany," fought off a \$1.13bn tender offer from the Canadian company, Brascan, three years ago.

Mr Sullivan has been promoted through the ranks of Woolworth executive and is understood to have gained his experience in the group's general retail operations. Lex, Back Page

### FALKLANDS WEATHER:

Wind NW, increasing to Force 8 (35 knots); 15 ft waves. Cloudy, occasional rain. Temp low to mid-40s F. OUTLOOK: Wind W, Force 6 (25 knots). Cloudy, intermittent rain.

### 'NO COMMENT' BY MINISTRY ON INVASION CLAIM

The Ministry of Defence had a hand no comment yesterday on suggestions from Argentina that Britain's naval task force might already have begun an invasion of the Falkland Islands.

Despite official suggestions at the weekend that the tempo of military action could be expected to increase, following the attack on Pebble Island, one of the Falklands group, the Ministry has issued no operational information in the past three days.

It has even refused to confirm Tuesday's reports from journalists aboard the flag ship Hermes that reinforcement Harrier jump jets had joined the task force. Its sole communiqué yesterday announced that the Government would broadcast in Spanish to the Argentine garrison on the Falklands from a BBC transmitter on Ascension Island.

### Sterling down sharply, equities fall

BY DAVID MARSH AND JOHN MOORE

STERLING LOST ground sharply yesterday and share prices dropped again in London as the financial markets underwent another attack of jitters over the Falklands confrontation.

The pound closed in London at \$1.7965, down 1.75 cents from Tuesday and its lowest closing level for a fortnight.

In European currency markets nerves were strained by the increasing likelihood of a British invasion of the Falklands. Trading was very thin and erratic, however, with most centres due to close today for a holiday and many international foreign-exchange dealers travelling to London for the start of the annual meeting of the International Forex Association.

The dollar made a general recovery on the currency markets as U.S. interest rates firmed. It closed in London at DM 2.3205 against DM 2.3150 on Tuesday.

Sterling dropped against continental currencies, finishing at DM 4.17 (DM 4.20) and SwFr 3.555 (SwFr 3.5725). Its trade-weighted index computed by the Bank of England fell sharply to 59.6 from 60.0, and the Bank was thought to have intervened to steady the rate in the day.

Short-term interest rates in London remained firm. Monday market interest rates rose by 4 per cent to 12.5 per cent. The Bank of England took steps to counter fears of tighter credit by absorbing the money-market's shortage by lunchtime.

However, Falkland blues worried about Britain's EEC row over farm prices, together with reaction to Tuesday's news of the international payment default in New York by Drysdale Government Securities, combined to depress the UK equity market.

Leading shares showed sharp falls although prices closed above their lowest levels of the day.

The Financial Times Industrial ordinary index, the barometer of the share-price movements of 30 leading companies, dropped 10.5 points to 361.9, after showing a fall of 12.1 points at lunchtime. The renewed stock market slide took the drop so far this week to 28.7 points.

In the stockmarket jobbers said there was not a buyer of shares in sight in the morning but investors later drifted back to capitalise on the day's sharper falls. Sizeable selling was reported by overseas investors.

The weakness in sterling and the continuing pressure on short-term interest rates led to selling in the gilt-edged market also by overseas investors. Falls ranged to £1 and the government securities index fell 0.55 points to 88.52.

Money Markets, Page 40

### Hospital services hit by strike

BY OUR LABOUR STAFF

HOSPITALS ACROSS the country reported widespread disruption of patient care services yesterday as thousands of National Health Service workers obeyed their unions' call for a national 24-hour stoppage.

However, there were starkly contrasting claims as to the level of support.

While the unions unanimously reported heavy backing, the Department of Health and Social Security said initial reports indicated a patchy response.

The action, co-ordinated by the TUC health services committee, was called by 10 health service unions in protest at the Government's 4 per cent to 6.4 per cent pay offer.

Unions representing nurses, ambulance personnel, catering and laundry staff, porters, clerical workers and laboratory technicians, seek a 12 per cent rise for all NHS employees.

The TUC health services committee is to meet today to discuss the action. Further national two hour stoppages are to take place next Thursday, continuing on a weekly basis.

The committee may also discuss referring the dispute to the TUC General Council with the aim of seeking wider trade union backing.

Mr Arthur Scargill, president of the National Union of Mineworkers, has already pledged support.

Many hospitals were forced yesterday to reduce services in emergency and accident cases only. But in several areas no industrial action was reported.

The strike was most effective in major population centres in Scotland, the North of England, Wales and Northern Ireland. Southern and rural areas were less badly hit.

Peaceful picketing and demonstrations took place across the country.

The 235,000-strong Confederation of Health Service Employees claimed last night that nearly 90 per cent of its 900 branches had taken part in industrial action affecting services at more than 2,000 hospitals.

The National and Local Government Officers' Association, with 90,000 NHS members mainly in clerical grades, said many administrative offices had been reduced to skeleton staffs.

The National Union of Public Employees reported that over 75 per cent of its 300,000 NHS members had taken part in the action.

Earnings increases lowest for four years, Page 8

Firemen give two week strike deadline, Page 10

### EEC farm vote: how Britain was outflanked

20

### Economic viewpoint: key issues for world leaders

21

### Management: the marketing of Tottenham Hotspur

12

### Business law: Lord Denning on law reform

13

### Technology: a rosy future for coil coaters

14

### Editorial comment: monopoly in civil aviation; West Germany economy

20

### Lombard: David Marsh on how to keep the Bank in touch

21

### Jobs column: blow to hopes of better Survey: steel industry

15-18

### Overseas News

4

### Parliament

11

### Rearms

12

### Share Markets

42-43

### Stock Markets

24

### London

38

### Wall Street

38

### Bourses

38

### Technology

14

### TV and Radio

13

### UK News

8, 9

### General

10

### Labour

10

### Unit Trusts

40

### Authorized

40

## U.S. parent poised to run Woolworth

BY RAY MAUGHAN

THE U.S. parent of F.W. Woolworth is poised to take direct management control of the ailing variety store chain for the first time since the British subsidiary emerged as a public company over 50 years ago.

The New York company, which shares with its UK offshoot the same name, operational style and recent lack of profitability, has appointed an executive vice-president as chairman and chief executive (see page 10) and is expected to succeed Mr Geoffrey Rodgers, the chairman and chief executive, on his retirement next March. Mr Rodgers, who is aged 60, would have been due for retirement two months ago. In line with company policy but had agreed to remain in office for an additional year.

Mr Arnold S. Anderson, senior vice-president of the parent, has been appointed to the UK board, joining Mr Edward Gibbons, the U.S. chairman, and Mr John Lynn, vice-chairman, in Britain in a non-executive capacity.

The board changes follow the resignations last week of two executives from the UK board for what were described as personal reasons. Mr J. H. Bradwell, a director in charge of buying, and Mr J. Blair, who had responsibility for Woolworth's extensive property portfolio, departed within two weeks of their re-election at the annual meeting.

Mr Rodgers faced strong criticism from shareholders at that meeting over the dividend cut for 1981 and the decline in profitability.

Woolworth produced profits of £22.1m before tax last year showing a sharp successive fall in profits of £36.5m and £56.4m for 1981 and 1980 respectively. In the first three months of the current year, losses from the 1,000 UK stores had deepened further to £2.35m. The first quarter, however, is always regarded as the "least significant" of the four.

The UK company has attempted to arrest the decline in earnings by upgrading its product range and responding to trends in the British high street moving into specialist areas such as Do-It-Yourself stores.

The parent, too, has been struggling. Its first-quarter losses deepened to \$16m (£8.9m) after tax against a deficit of \$2m in the comparable months of 1981 and its debt rating was lowered by Standard and Poor's, one of the main U.S. credit rating agencies, last December. Its shares, however, have been attracting strong speculative interest recently on bid rumours and the group, which takes in outlets to Mexico, Canada and "virtually every sizeable community in West Germany," fought off a \$1.13bn tender offer from the Canadian company, Brascan, three years ago.

Mr Sullivan has been promoted through the ranks of Woolworth executive and is understood to have gained his experience in the group's general retail operations. Lex, Back Page



YOU'D THINK WE HAD THE MONOPOLY ON COMFORT AND CONVENIENCE.

Everything about the Air France Club Class is designed for your comfort and convenience. A separate, secluded front cabin on the Airbus A300-600. Roomy seating arrangements. Complimentary drinks—even champagne, if you wish. Thoroughly prepared meals or snacks will be served en route.

There are also special check-in facilities and seat allocation besides priority baggage reclaim on arrival.

What does all this creature comfort cost? Rarely more than 10% over the basic Economy fare.

Club Class is available from London to Paris, Nice, Toulouse, Marseilles and Lyons—and from Manchester to Paris.

We look forward to spoiling you very soon.

**AIR FRANCE**  
FOR CLUB CLASS

Air France, 158 New Bond Street, London W1Y 0AY. Tel: 01-499 9511. Manchester Tel: 061-436 3800.



## EUROPEAN NEWS

Bruce Andrews reviews Swedish hopes of playing a key role as the centre of a European gas network

## Strategic position for neighbours' gas reserves

SWEDEN COULD play a key role in the provision of Europe's future gas supplies, even though it has no natural gas resources of its own, according to Swedish officials. They foresee a gas network centred on Sweden to link gas supplies from offshore Norway and the Soviet Union to markets in Scandinavia and Central Europe.

An important part of Sweden's hopes rests on a current investigation of the feasibility of routing through Sweden gas from Norway's recent discoveries in Arctic waters: Tromsø and Halten Bank. This is based on the assumption that between 15 and 25bn cubic metres of gas a year will be available from these discoveries in the 1990s. The Swedes acknowledge that reserves to support these quantities have yet to be established but feel that they are likely to be proved after further exploration.

"We must be ready to negotiate," stresses Mr Claes Lindgren, managing director of Swedegas, the state-owned gas company. Mr Lindgren points out that other options open to the Norwegians include shipment of liquefied natural gas (LNG) or an offshore pipeline to the North Sea Statfjord field and then to Europe either direct or,

conceivably, via another pipeline to and through the UK and across the Channel.

The Swedish Government recently asked the state power board, Vattenfall, to investigate the idea of a trunk line linking these northern Norwegian discoveries through Sweden, to west Central Europe. Vattenfall is studying pipeline construction, allocating SKr 80m (£7.6m) from its own resources for the purpose, and Swedegas is analysing the gas market for the whole of Sweden.

The project could be carried out in two phases.

First, north Norwegian gas to Sweden and via Sweden to Finland and Norway. It is known that enough reserves already exist to supply comparatively small quantities of gas and supplies might start from as early as 1990, building up to as much as 6bn cubic metres a year.

Second, north Norwegian gas via Sweden to western Central Europe. The development of a trunkline through Sweden to supply this market is foreseen in the early 1990s.

In the meantime, Sweden expects to import 440m cubic metres of gas a year from the Danish Oil and Natural Gas company (DONOG) under an 18-year contract starting in 1985. Gas supplies from Danish off-

shore fields will be augmented by West Germany's Ruhrgas for the first five years.

An important aspect of this contract is that, in return for investing DKr 220m (£15.2m) in the Danish grid, Swedegas has the option to buy up to 2bn cu metres of Danish gas in total or to transport a further 2bn cu metres through the grid, in either direction. The difficulties experienced by Dong in its internal marketing do not appear to affect these arrangements: they may even result in more gas being made available to Sweden.

Danish gas will be distributed in southern Sweden by the regional utility, Sydgas, with Swedegas building a trunkline. Construction is due to start early next year. Total investment, excluding end-user installations, was estimated at SKr 1bn in 1981 and contracts are expected to be placed within six months.

The Danish link opens the option of bringing gas to Sweden from Norwegian North Sea gas fields south of parallel 62, such as Sleipner and Troll. The Swedes observe that the Danish offshore line is only about 30 kilometres from the Statfjord/Ekofisk/Emden system and a link would be comparatively easy.

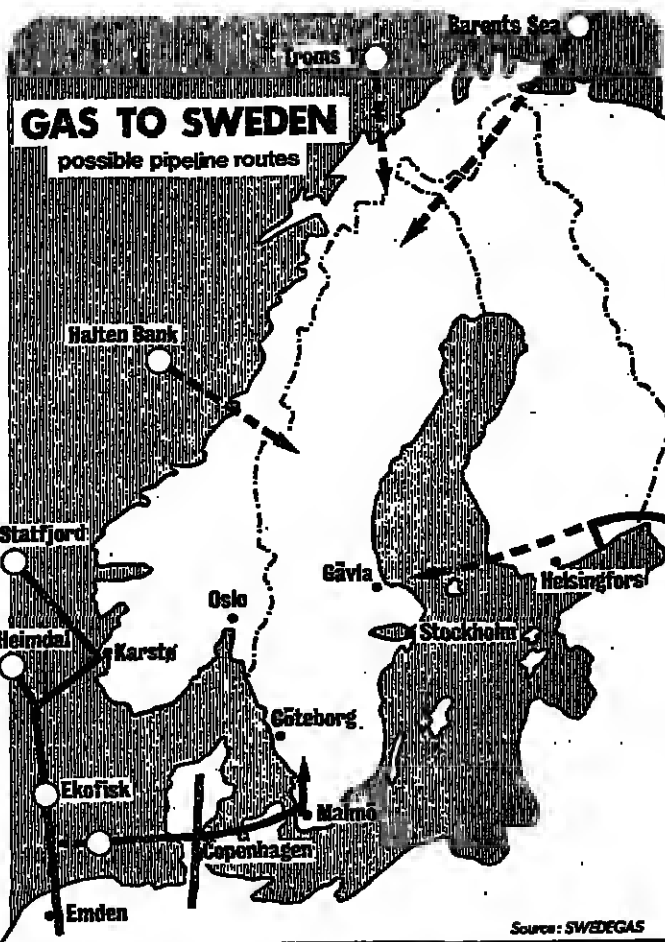
All this tends to overshadow the possibilities of Sweden using

gas from the Soviet Union. Discussions with the Soviets and the Swedes over gas imports through Denmark have been taking place since the mid-1960s but have been inconclusive. Now the firms are considering additional gas supplies from the Soviet Union, and a year ago the Soviets approached the Swedes with the offer to supply gas through Finland, by a trans-Baltic pipeline to Gavlø and then to central and south Sweden, linking with the Sydgas system.

From the Soviet view, the transmission of gas to Sweden via Finland, unlike the plans to send gas to west central Europe, does not mean large investment in additional pipeline capacity. Capacity to Leningrad was recently increased and could be used for additional gas with an increase in compression facilities.

The Swedes prefer the Finnish route for Soviet gas. They are not interested in spoiling their other Danish options and they value the security of another route. They foresee imports of 1-2bn cubic metres a year of Soviet gas towards the end of the decade and are watching to see how the Soviet-Finnish investigations turn out.

So Sweden looks north, west and east for gas. There is also great interest in Soviet plans to drill for gas in the Barents Sea.



## Yugoslavia moves to end delays in repaying creditors

BY DAVID BUCHAN

YUGOSLAVIA HAS passed a foreign exchange law designed to end recent damaging delays by some of its regional banks in payments to overseas creditors. The law, which runs until the end of this year, marks an important political concession by Slovenia which had earlier objected to sharing its relatively higher foreign currency earnings with other republics in the Yugoslav federation.

Yugoslavia has now brought itself up to date with repayments of \$1.1bn on foreign long and medium term loans and of \$455m on short term credits so far this year, according to Mr Veselin Djuranovic, who, under the country's rotating leadership system, was replaced last weekend by Mrs Milka Planinc as Prime Minister.

Payment delays this spring had compounded Yugoslavia's instability to raise new international loans in the climate of Western banking scepticism about East European markets. Despite recent successes in obtaining some bilateral loans from Kuwait and West German banks, Yugoslavia still wants to make another approach to Western credit markets, maybe before tourism gives its customary boost in the second half of the year. But the timing of this will depend on the temper of the credit markets and on how fast the new Planinc administration settles in.

The law, passed last week by the federal assembly but only published in full this week, seeks to increase the availability of foreign exchange inside the country. It requires companies to repatriate to Yugoslavia their export earnings within 60 days, instead of

90 days. This should bring back into the country roughly one-third of the \$870m which the Belgrade authorities estimate is being held abroad.

One Yugoslav banker in London acknowledged yesterday that by demanding speedier payment for its goods, Yugoslavia might make them less attractive to foreigners. But he commented, the country would simply have to make its exports more competitive on aspects other than credit.

The second main provision of the new law requires companies to sell 15.9 per cent of hard currency export earnings to the national bank, which would funnel them onto the domestic foreign exchange market. The aim is to prevent partially the hoarding of hard currency, which had virtually dried up the foreign exchange market and forced some regionally-based banks in Croatia, Montenegro and Kosovo to run short of the means to repay foreign debts.

The new alliance of foreign exchange to be compulsorily sold to the national bank is below the country's overall debt service ratio, which runs around 20 per cent of total hard currency earnings. But it comes on top of a previous requirement whereby 10 per cent of foreign currency is paid into the national bank to meet the nation's oil import bill.

The new law seems to have been deliberately limited in time and scope to win the acquiescence of Slovenia, the richest and most export-orientated part of the country, which has been promised it can buy back from the national bank all the necessary currency to finance vital imports.

## Solidarity hunger strike enters second week

BY CHRISTOPHER BOBINSKI IN WARSAW

A GROUP of senior Solidarity union officials interned at Bialoleka prison in Warsaw are still on hunger strike according to one of them, Mr Jan Rulewski, the union leader from Bydgoszcz.

Looking pale and rather thinner than at a previous appearance, Mr Rulewski said, at a court hearing in Nowy Dwor Mazowiecki, 20 miles north of Warsaw that he had taken no food since May 12.

The court adjourned the hearing after a doctor testified that Mr Rulewski was in no state to give evidence. Mr Rulewski is charged with manslaughter following the death of a pedestrian in a traffic accident. The case has already been adjourned twice and it is widely assumed that, on the basis of the evidence, he should be acquitted.

Mr Rulewski told the court: "The determined opposition of the people is continuing and I will continue with my hunger strike." The action is directed against the imposition of martial law and in support of a demand that the authorities start talks with Solidarity.

He said in court that 14 people

were continuing the protest which would suggest that two of the group have dropped out.

The group includes some of the more radical of Solidarity's leadership, like Mr Andrzej Gwiazda, Mr Lech Walesa's deputy from Gdansk, and Mr Lech Dymarski from Poznan. Mr Jacek Kuron and Mr Koral Modzelewski, two influential figures in the movement, are also taking part.

While answering questions on his health, Mr Rulewski slipped in a statement that he was in favour of the Roman Catholic Church's proposals for talks with the authorities. "I support the appeal of the Polish bishops," he said.

Two Polish miners have each been jailed for three years by a military tribunal in Katowice, Poland's coal and steel capital in the south according to AP. The official news agency PAP said. The men, who work at the May Day colliery at Wodzislaw Slaski, were found guilty of "doing work in a militarised establishment by illegally crossing into Czechoslovakia with the intention of reaching Austria." The two were tried under the summary law procedure.

## Danish PM presents tax and farm aid package

BY HILARY BARNES IN COPENHAGEN

DENMARK'S Prime Minister, Mr Anker Joergensen, yesterday presented the Folketing (Parliament) with a package of indirect tax measures, aid for agriculture and a job creation scheme aimed especially at the under-25s.

The minority Social Democratic Government plans to raise about DKr 4bn (£275m) by increasing taxes on wines, spirits, tobacco, sugar and most forms of energy, and by introducing a tax on videotapes. But the car registration tax is to be reduced slightly by three stages over the coming year.

The Folketing will begin to debate the measures on Monday. As the Government has failed to reach agreement with the other parties which usually support it, there is no guarantee it will be able to carry its measures.

The tax increases are intended to finance the job-creation programme and agricultural support without leading to a massive increase in the budget deficit, which is expected to reach about DKr 65bn this year, compared with a first estimate of about DKr 41bn.

The Prime Minister said the



Mr Anker Joergensen: Job-creation scheme.

youth employment measures are the start of a programme which will guarantee every person under 25 a job or an education by 1984.

So far, the Government has only promised the farmers about DKr 700m this year, and DKr 800m in 1983, but the Government is still negotiating with other parties on measures which could increase the support for agriculture.

## Jobs forecast for youth

GENEVA — Unemployment among young people in developed countries should shrink considerably by 1990 but rise drastically elsewhere because of demographic patterns, according to statistics compiled by the International Labour Organisation.

By the end of the decade, the number of young workers in developed countries, now at about 110m, is expected to drop

by about 13m, a decline approximating the present number of unemployed youths. For the developing countries, however, "the prospects are alarming," the ILO summary warns.

AP FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates \$385.00 per annum. Second class postage paid at New York, N.Y., and at additional mailing centres.

# Today, the Americans start going back to Dallas.

American Airlines' wide-bodied 747's, that is.

Because, from today, American Airlines start their new non-stop service between Gatwick and Dallas Fort Worth, five days a week\*.

Now, although they're new to these shores, American is an airline more than well-known to its countrymen.

In fact, people who fly regularly in America have voted us number-one in four surveys.

Number-one for service. But we're also famous for

NON-STOP

something else equally important to people visiting the USA.

Choice of internal destinations. Every day, we have 236 flights out of

Dallas to a wider choice of American cities than any other airline.

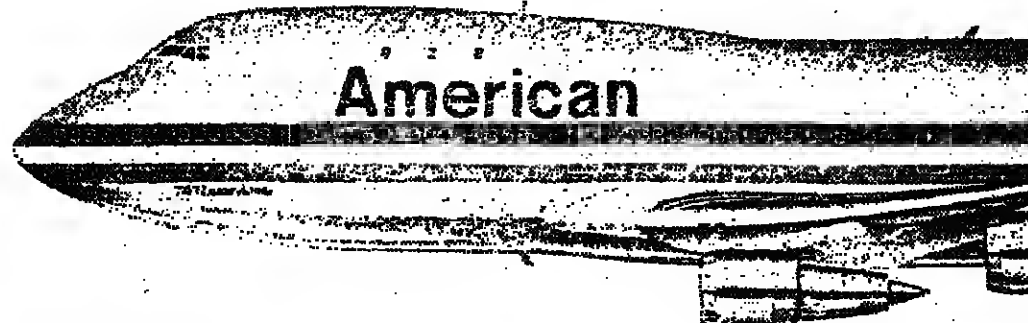
Fly with us and Dallas becomes America's greatest gateway.

Every day, except Monday and Tuesday, the Americans will depart Dallas at 17.40 and arrive Gatwick at 08.30. And every day, except Tuesday and Wednesday, they'll depart

Gatwick at 11.10 and arrive Dallas at 15.05.

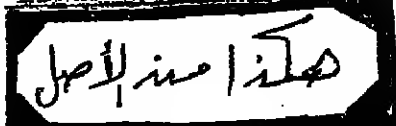
So, if you're going to the United States, from now on all you need is an American.

DALLAS



Nobody does it like an American

\*Subject to Government Approval.





# Satisfaction—and concern—in EEC capitals over farm vote

BY OUR FOREIGN STAFF

THE "steamroller" approval of the European farm prices package was greeted in European capitals yesterday with a mixture of satisfaction and apprehension. The general response was that Britain has isolated itself, taking a rigid stance on an issue which could not properly be regarded as an issue of important national interest.

The price package, they believe, was not a suitable subject for a vote under the terms of the "Luxembourg compromise" which, since 1966, has allowed for most important Community decisions to be passed only by unanimous vote in the Council of Ministers.

The decision to bypass Britain's veto provoked fears in France, however, that it could be used as a precedent and could easily backfire.

The strongest statement came from the neo-Gaullist RPR opposition party. This is hardly surprising, since General de Gaulle was behind the 1986 "Luxembourg compromise".

M. Bernard Pons, the Deputy Leader, said the French Government had taken "an historic risk for an insufficient result" and that it was now "very seriously exposed".

Mme Edith Cresson, the Agriculture Minister, yesterday repeated Government assurances that the spirit of the "Luxembourg compromise"—that Community mechanisms should function harmoniously and that nobody should be gravely wronged—would be upheld. The rule of unanimous decisions for "important, vital and justified issues" would remain in force, she said.

Whatever precautions the French Government and its partners took, a "boom-range effect" could not be excluded, the right-wing daily L'Aurore said. This concern was shared by the Socialist newspaper, Le Monde de Paris, which warned that when it came to other thorny decisions, such as fruit or wine, France would find out just what a majority vote implied.

Britain's position had at least "the merit of being brutal and clear," while that of its partners was "strangely ambiguous."

The broadly pro-Government Le Monde, however, said France was right not to give in

## Britain will introduce price rises

BY LARRY KLINGER IN BRUSSELS

ALL EEC countries will implement today the measures giving farmers record guaranteed price rises.

These range between 8.5 and 11 per cent for most major northern products and up to 14 per cent for the main Mediterranean produce.

Britain feels it has no option but to introduce the new prices, for both political and practical reasons.

"Whether we like it or not, the new price levels are now Community law," said an official.

"We would have to think very carefully indeed before taking such a step. We could even find the Government taken to court by its own farmers."

The more important immediate danger, however,

would be the courting of chaos in Britain's agricultural trade within the EEC. Without British participation, different price levels would operate elsewhere in the Community, tempting a market-disrupting movement of UK produce to take advantage of guaranteed higher prices and storage outside the country.

To combat this, elaborate and probably unpracticable measures would have to be introduced on Britain's frontiers.

Stripped of the drama over the majority vote, however, the 1982-83 price-fixing was "traditional" in the extreme.

The ministers added their customary one to three percentage points on most of the European Commission's proposed price rises. Coupled

with special aid measures and agri-moetary adjustments, these will give farmers increases ranging from around 7 per cent in West Germany to nearly 20 per cent in Greece. The UK figure is just above 10 per cent.

Each of the ministers can again claim a victory for his or her farmers, including Mr Peter Walker. Despite his huffing in trying to maintain Britain's veto, he takes home a substantial price award to his national farming constituency.

The news is less good for consumers, however. The British Ministry of Agriculture estimates that the package as approved will add 11 per cent to the UK's retail food price index and only 1 per cent to the overall retail price index.

Typical was the reaction of the liberal Free Democrat Party, the junior partner in the coalition. It said that at last the "Gordian knot" had been cut, and warned that if Britain sought to withhold EEC budget payments, it would be catapulted out of the Community.

This near-jubilation has served to drive West Germany's continuing support for Britain in the Falklands dispute somewhat into the background. However, the Government spokesman reaffirmed that Bonn—like Paris—would stick by Britain as long as the conflict continues.

NRC Handelsblad, the leading business paper of the Netherlands, said Britain had got only what it deserved. "But is the logic of agriculture policy the final logic of European integration, and is farm policy always to be presented as the showpiece of European co-operation?"

It thought not. "Europe's future," it concluded, "does not lie in the farmyard and its place in the world of tomorrow must be decided by other than farm factors."

"Not only the fact of the price rise, but also the manner in which it was done—cutting knots is no solution—show that this fundamental reality has not yet been sufficiently well understood by the majority."

There was some relief in Rome that the farm deal had taken the critical spotlight off Italy, following its refusal to endorse even the seven-day extension of sanctions against Argentina.

Yesterday, Sig. Emilio Colombo, the Foreign Minister, moved to amend damaged fences when he summoned Sr Rodolfo



Gen. Charles de Gaulle, whose actions led to the "Luxembourg compromise" which is threatened by Tuesday's vote.

Luchetta, the Argentine ambassador to Rome. He told him that Italy's action to no way implied any change in the country's fundamental disapproval of Argentina's use of force in the Falklands.

The potentially disastrous deterioration in Community relations witnessed this week has left a feeling of acute unease and apprehension here.

This, however, is mingled with something approaching satisfaction that Britain could have hoped to achieve success on three negotiating fronts (sanctions against Argentina, the Community budget, and farm prices) without being ready to give ground on a single one of them.

There was little sympathy in

Dublin for British complaints. Politicians and officials believe the UK violated the letter and the spirit of Community law by holding up the farm price deal in support of what the Irish see as the unrelated issue of British budgetary contributions.

The delays were expensive for Irish farmers. It is estimated that the beef and dairy sectors lost £17m as a result of the six week hold-up.

There is a view that the Irish Government might have found it easier to continue trade sanctions against Argentina had Britain shown more willingness to respond to the original EEC solidarity by recognising the importance of the farm price package to the agricultural economies in the Community.

## W. German unions elect new leader

By Stewart Fleming in Frankfurt  
HERR ERNST BREIT, head of West Germany's Post Office Union, has been elected by an overwhelming majority to head the DGB, the country's trade union federation.

At the DGB's congress in West Berlin 499 of the 522 delegates, representing 8m members of affiliated unions, approved the election of the 57-year-old union leader. He will succeed Herr Heinz Oskar Vetter. The latter is retiring after 13 years in office against a background of deep disension in the movement and in the shadow of a recently-uncovered scandal in union-owned businesses.

The overwhelming support for Herr Breit will come as a relief not only to the union leaders who decided two months ago to drop their first official candidate, Herr Alois Pfeiffer, but also to the delegates themselves.

The fact that Herr Pfeiffer, who has been severely criticised for investing in tax favoured housing, was re-elected to the DGB board with a reduced majority, underlined the correctness of the decision to find a candidate untainted by what has become known as the "Nene Heimat affair"—the name of the union-owned building company.

Herr Breit's election, by the heaviest majority ever for a DGB chairman in his first election, will encourage hopes that he can help heal the divisions within the union movement which have been exacerbated by the financial scandals in union-owned businesses. It will give him an authority within the ranks of the union leadership which the head of the DGB has not normally enjoyed. The powerful heads of the individual unions have generally tried to prevent the federation's chairman becoming too powerful a figure.

## Lisbon reassured

Portugal has received guarantees from its NATO allies that they will study urgently its grievances over the level of military aid it is receiving, according to Sr Andre Concalves Pereira, the Foreign Minister. Reuter reports from Lisbon.

## Inflation hits French economy

BY DAVID HOUSEGO IN PARIS

THE FRENCH economy is suffering at the hands of continuing high inflation and stagnant industrial production. This is the conclusion drawn from two official documents published yesterday.

According to the government statistics office, Insee, consumer prices rose by a provisionally estimated 1.1 to 1.2 per cent in April over the previous month, or at an annual rate of about 14 per cent.

This is in sharp contrast to the rapid deceleration in inflation in most other industrialised economies. It is also well above

the target of an annual inflation rate of 10 per cent that the government had hoped to achieve within this year.

At the same time, the Bank of France, in its monthly survey of business, found that production sagged in April. Output of consumer goods continued to rise slowly but there was a fall in the production of intermediary goods.

Official concern at the loss of momentum in the economy was behind the government decision last week to provide a further inflationary stimulus by accelerating the capital expenditure

programme of the newly nationalised industries.

The disappointing inflation figures are in line with a similar increase of 1.2 per cent in consumer prices in March over February. The April figures seem to have been hosted by a rise in food prices and by sharper-than-expected increases in earnings. Hourly wages rose by 4.8 per cent in the first quarter.

The increasing divergence between the inflation rates of France and West Germany is bound to add to the pressures for a devaluation

## Key wage rise agreed in Netherlands

By Walker Ellis in Amsterdam

REPRESENTATIVES of the Netherlands' 270,000 metal workers reached agreement in principle yesterday with employers on a wage rise of 2.5 per cent from July 1. It is in line with the outgoing centre-left Government's recommendation and is seen as a victory for the moderates. The deal has still to be ratified by union members.

The metal workers' increase is normally an indication of the national pattern.

## Saudis soft-pedal on tank deal

BY JAMES BUCHAN IN BONN

SAUDI ARABIA is continuing to act with great sensitivity over West Germany's political aversion to the sale of weapons despite its unchanged interest in buying the Leopard II tank.

In an interview in Frankfurt Mr Mohammed Abdo Yamani, the Saudi Information Minister, said that arms deliveries were not the deciding factor in Saudi-West German relations. "We are co-operating in many areas of much greater importance than the delivery of a few more weapons," he told the West German news agency, DPA.

Mr Yamani's remarks will be

a considerable relief to the Bonn Government, which has been concerned that its failure to make any firm promises over the Leopard II might damage commercial and economic interests in Saudi Arabia.

A new element in the picture is a revision of guidelines on West German weapons exports, approved at the end of the month. This makes a Leopard II sale to Saudi Arabia theoretically possible without in any way altering the decisive political hostility to such a sale.

In fact, Mr Yamani made clear that Saudi Arabia had not made

a fresh approach in the light of the new guidelines.

"We have taken no new steps," he said. It was up to Chancellor Helmut Schmidt to decide when he could answer for deliveries, and only then would the Saudi Government and Prince Sultan, the Defence Minister, make clear their needs.

Prince Sultan is known to be extremely keen on the Leopard II as a replacement for Saudi Arabia's ageing French and U.S. tank fleet but the Saudi ruling circles appears, as a whole, to be against pressing the issue hard.

WHEN YOU KNOW HOW TO LISTEN,  
OPPORTUNITY ONLY HAS TO KNOCK ONCE.

We'll never know how many ideas have been lost, or chances missed, because they were simply never noticed.

But at Sperry, we're determined not to overlook a single one.

Staying inventive and ahead in a technological world requires a uniquely human skill.

The ability to listen. Which is why we've set up listening training programmes, world-wide, for Sperry employees to attend.

In computer science, defence and aerospace, where new systems can take decades to develop, we've found the best way to meet tomorrow's needs.

Listen well enough to anticipate opportunity, long before it has a chance to knock.

**SPERRY**

We understand how important it is to listen.

Sperry is Sperry Univac computers, Sperry New Holland farm equipment, Sperry Vickers fluid power systems, and defence and aerospace systems from Sperry division and Sperry Flight Systems.

IF YOU AGREE THAT GOOD LISTENING IS VITAL TO YOUR BUSINESS, AND WOULD LIKE TO ATTEND A SEMINAR, WRITE TO SPERRY, DEPT. FT 18, 78 PORTSMOUTH ROAD, COBHAM, SURREY KT11 1JZ.



## OVERSEAS NEWS

## Begin beats confidence challenge

By David Lennan in Tel Aviv

DESPITE losing its parliamentary majority, the coalition government of Mr Menahem Begin survived a vote of no confidence in the Knesset yesterday over its handling of the economy.

After a day of fierce debate and frantic horse-trading behind the scenes, the Government defeated the motion by one vote 58-57, with three abstentions.

The Government is unlikely to be able to function very long in its weakened state, however, and it is expected that it will have to call new elections fairly soon. The likelihood that the Likudist coalition would be November, when municipal elections are due to be held.

The crisis was brought on by the decision of two members of Mr Begin's ruling Likud bloc to cross the floor on Tuesday to join the opposition Labour Party. This reduced the coalition representation in Parliament to 59 out of 120 seats.

While the Labour Party is now the largest in the Knesset, it was unable to persuade all of the smaller opposition parties to support its no confidence motion. Three MPs from the two small independent parties which held key votes decided to abstain and this was sufficient for Mr Begin to survive.

Even if he can persuade one of these two small right-wing parties which between them have five seats, to join his coalition, it is doubtful whether the demise of the Begin Government can be averted for long.

The Government can expect to be challenged frequently in the Knesset and may find it almost impossible to push its legislation through committees where its control will be weakened by the resignation of parliamentary forces.

Even before the latest crisis, Mr Begin was considering early elections.

## Bank severs Zaire links

THE ARAB Bank of Economic Development in Africa yesterday suspended links with Zaire in response to President Mobutu Sese Seko's decision to resume diplomatic relations with Israel, Michael Holman writes.

Zaire received \$36.8m from the bank between 1975 and 1981, making it the bank's fourth largest aid recipient.

Ann Charters in Seoul and David Dodwell in London describe how a money market scandal has rocked South Korea

## High price for breaking a gentleman's agreement

THE UNOFFICIAL money-lenders in Myeongdong, in downtown Seoul, have for more than two decades been a thorn in the side of successive South Korean governments, but never before has such a potentially damaging scandal come from their midst.

A fortnight ago two active operators on the unofficial "kerb" loan market in Myeongdong were arrested on charges connected with the exchange of irregularities and of misuse of loan guarantees worth hundreds of millions of dollars.

The shockwaves of these arrests have panicked the stock market, brought at least two major companies to their knees, implicated two of the country's five main banks, and even compromised the family of the country's President Chun Doo-hwan.

The President has been swift to move against everyone involved in the scandal, and has given unequivocal backing for severe punishment of everyone implicated, but the affair is almost certain to have damaging implications for him and his administration.

At the very least, the scandal has confirmed to Koreans critical of the President that the "mandate of heaven" does

not smile on President Chun, who has been beset with setbacks, many not of his own making, since he came to power almost exactly two years ago.

For the President, however, it underscores that high-level corruption still exists in Korea, even though an anti-corruption campaign has been waged since his highest political priority since he came to power.

The scandal erupted when Mr Lee Chol-bi, once a member of the national assembly and a former deputy head of Korea's CIA, and Mrs Chang Yong-Ja, his wife of three months' standing (in Korea, wives maintain their own family names even after marriage), were arrested in connection with their activities on the unofficial kerb loan market based in Myeongdong.

Korea's public prosecutor alleges that the couple took promissory notes worth at least \$360m (£200m), which had been deposited with them as collateral against loans extended to numerous Korean companies, and cashed them in the kerb market. This not only broke a gentlemen's agreement that the notes should never be cashed if the loans were repaid, but took two companies to the

brink of bankruptcy and hurt several others since the notes, usually worth several times the value of the loan, could not be honoured by them.

It is anyone's guess how many notes were circulated before the scandal broke. The arrests followed complaints by at least six companies that, in

6 At the very least, the scandal has confirmed to Koreans critical of President Chun that the mandate of heaven does not smile on him 9

breaking the usual gentlemen's agreement, Mr Lee and his wife had in effect tried to defraud them.

The Korean stock exchange has suspended share dealings in two of the companies, Kong Yung Construction, and Iissin Steel. Following the resignation of two officials in both companies, Iissin Steel has been put up for sale, while Kong Yung has been put under court control until a number of contracts in the Middle East have been completed to which the com-

pany is committed. The other companies named are Haetai Confectionery Co. Life Construction Co., Taeyang Metal Industrial Co. and the Samik Corporation.

As the scandal has spread, so the presidents of two of the country's main banks have resigned following charges implicating them in the scandal. Yesterday, the Superintendent of Banks resigned with his deputy, following a decision by the public prosecutor to investigate the adequacy of his department's supervision of the banks involved.

On Tuesday this week, the scandal crept closer to the Blue House, home of President Chun, with the arrest of General Lee Kyu-kwang, a former Provost Marshal in the Korean army and an uncle of President Chun's wife.

Gen Lee was arrested and charged with accepting bribes from Mrs Chang in exchange for promising to try to influence officials to help set up a bank in partnership with unnamed banks in the Middle East. This latest development is ominous because it transforms the scandal from one concerned with the murky operations of

Korea's unofficial money-markets to one involving attempts to use power and influence around the President to gain business favours.

Korea's Myeongdong kerb loan market has grown and thrived over two decades, in part because of constant government attempts to control the supply of money by keeping a tight lid on official lending to industry, and in part because of government regulation of interest rates.

Companies unable to borrow money from official sources have turned to the kerb market, despite the additional cost of borrowing there. The Government, aware that its fast-growing industry was hungry for funds, but unwilling to relax lending limits from official sources, was thus forced to turn a blind eye to the kerb market, even though it was a magnet for "black" money and a regular means of tax evasion.

The kerb market was fuelled by small savers attracted by high interest rates; up to an annual rate of 36 per cent was offered by Myeongdong money-lenders during parts of last year, though rates have since

slipped to around 25 per cent, about twice the official rate. Few reliable figures are available to "measure" the market's importance, but it is estimated to be worth over \$5bn, and to account for about 40 per cent of funds available for loan.

The usual practice for companies borrowing from kerb

6 The market is estimated to be worth over \$5bn and to account for about 40 per cent of funds available for loan in Korea 9

market moneylenders was for the company to deposit with the moneylender a promissory note for at least twice the value of the loan being raised. The note was normally held as security against default by the borrower, and a gentlemen's agreement existed that the note would never be cashed, but would be returned to the borrower on repayment of the loan.

Mr Lee and Mrs Chang instead allegedly sold the notes on the kerb market at a dis-

count. To ensure the notes were negotiable, the couple allegedly had them written on forms that could only be obtained from banks. The notes were traded on the kerb market without the knowledge of the original issuers until the notes fell due, people then owning the notes presented them for payment to the original issuers who could not honour them.

The scandal might have been handled more quietly had it not been for further irregularities. Kong Yung Construction, for example, had raised loans worth about \$23m, but instead of issuing promissory notes for about twice that sum, as would have been normal, they issued notes totalling over \$200m.

Eighteen people have so far been arrested in connection with the scandal. President Chun is no doubt split between a desire to limit the political and economic damage done by the scandal and the need to be seen to act firmly in rooting out corruption.

With the resignation yesterday of the Superintendent of Banks, and mounting pressure for resignations in his cabinet, the President must now be seen to wrap the scandal up quickly.

## Ojukwu pardon may affect poll

BY QUENTIN PEEL, AFRICA EDITOR

THE DECISION by President Shehu Shagari of Nigeria to grant a free pardon to former Col. Odumegwu Ojukwu, leader of the breakaway state of Biafra during the 1967-70 Nigerian civil war, introduces a new element of uncertainty into the Nigerian political scene.

The likelihood of Mr Ojukwu, returning to active politics under the country's civilian constitution could have a significant effect on the outcome of next year's national elections.

Speculation is rife in Lagos that he will throw his weight behind President Shagari's ruling National Party of Nigeria (NPN), and thereby divide the important Ibo vote in the eastern states which once made up Biafra.

By doing so, he would set himself against Dr Nnamdi Azikiwe, the veteran Ibo leader, who has led his Nigeria People's Party (NPP) out of an alliance with the NPN and into an opposition front with the Western-based Unity Party of Nigeria (UPN) led by Chief Obafemi Awolowo.



Odumegwu Ojukwu: two major uncertainties

Official reasoning behind the decision of the Council of State, President Shagari's top advisory body, to grant the pardon is that it is "the final seal put on the rehabilitation and reconciliation measures following the civil war."

The move had been expected

since the lifting of restrictions on former Gen Jack Gowon, head of the federal Government during the civil war, and head of state until 1975, which was announced last October. However, Mr Ojukwu remains a far more contentious figure.

Two major uncertainties remain—what the reaction of the former Biafran leader will be to the pardon, and how much support he can still command amongst the Ibo people.

He could yet reject the offer of a pardon, on the grounds that it would be tantamount to an admission of guilt. However, most political observers believe he is anxious to return as quickly as possible from exile in the Ivory Coast, where he has built up successful business interests.

President Shagari, who won the first civil election under the new constitution in 1979 with the widest measure of national support, is undoubtedly worried about the threat of an alliance between the UPN and NPP.

## Saudis may call for new Gulf peace effort

By Roger Matthews

SAUDI ARABIA and Kuwait are considering calling for an emergency meeting of Arab League Foreign Ministers early next month to discuss ways of ending the war between Iraq and Iran.

The latest Iranian advances in the 20-month-old war are causing increasing alarm among conservative Arab oil producers who fear they could become the next victims of a militarily successful Iran.

No formal request for an emergency meeting has yet been made as it would be certain to highlight already serious Arab divisions over the conflict. Syria and Libya are backing Iran in the war and together with Algeria and South Yemen would oppose any Arab League meeting designed to provide support for Iraq.

An official from the Saudi Foreign Ministry said this week that there could be a case for invoking the Arab joint defence agreement if Iran chose to advance into Iraq.

## Japan to raise steel pipe output

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

THREE out of Japan's four top steel manufacturers seem certain to press ahead with plans to increase their production capacity for seamless steel pipes.

This is despite the fact that the bottom has fallen out of the world market after a boom which started at the end of 1980.

The companies which will probably go ahead with plans to build new pipe-making capacity are Nippon Kokan, Nippon Steel and Kawasaki Steel.

Sumitomo Metal Industries, the largest Japanese manufacturer of seamless steel pipes and the one which stands to lose most from the steep fall in demand that set in about six weeks ago, appears undecided about its investment programme.

It seems virtually certain that Japanese capacity for seamless pipe making will rise from the current level of about 4.4m tons—out of the world total of 8m tons—to 5.5m tons by the middle of next year, whatever action Sumitomo may take.

The Japanese manufacturers will go ahead with their investment plans officially in order to

improve their product mix in the seamless pipe sector—which is thought to be necessary to meet changing patterns of demand in the world oil industry.

An additional, unacknowledged reason for pressing forward could be to "establish" market shares in advance of what could be a seamless pipe trade war in 1984 or 1985.

The Japanese manufacturers expect to face a serious challenge to their position in the U.S. market from about 1984 onwards, when two major plants planned by U.S. Steel and Armco should come into production.

If the market has to be shared out by mutual agreement or negotiation, a dominant 1983 market share could be a useful basis for discussions.

Demand for seamless steel pipes, which are used in oil exploration, began to grow sharply from the end of 1980 partly because of the de-regulation of U.S. oil prices, which in turn boosted exploration activity.

In 1981, Japanese exporters

raised their prices four times in the U.S. market and earned on average 35 per cent more a ton than a year earlier. Prices rose by another 8 per cent in the first quarter of this year, but have now started falling sharply.

A 15 per cent fall in prices during the 1982 fiscal year (starting last April) coupled with a 15 per cent fall in the volume of exports, is regarded as about the best possible outcome for the industry.

If nothing worse happens, the collapse of the seamless pipe market could make a ¥300m (\$60m) hole in the profits of Sumitomo Metal Industries during the second half of the fiscal year, and perhaps cost Nippon Kokan—the second largest seamless pipe maker—as much as ¥200m.

All four manufacturers are trying to recoup their probable losses on seamless pipes by pushing through a 5 per cent increase in the domestic prices for four main steel products, other than pipes. But it is not yet certain if these efforts will be successful.

## THE FALKLANDS CRISIS

Mark Newham examines prospects for the exploration of oil and mineral reserves in Antarctica

## Potential wealth of the continent yet to be charted

ANALYSTS of the Falklands crisis have stressed that the taking of the Falklands by Argentina could be the first step towards the ultimate domination of the Antarctic by the Argentine junta. They base their assumptions on reports that Argentina covets the immense mineral wealth thought to lie beneath the glacial ice of the southern continent.

Have these analysts got their sums right? That was the question posed recently at a special meeting of the Royal Geographical Society (RGS) called to give the opinions of experts of the Antarctic and the South Atlantic a long-overdue airing. The experts' answer was loud and clear. There may be large mineral reserves in and around Antarctica but can they be commercially developed?

Dr Charles Swinbank, head of the British Antarctic Survey (BAS) Earth Sciences Division, presented a clear picture of the situation. Only 20 per cent of the continent has so far been

charted on a scale large enough to be useful for mapping out geological and mineral resources, and much of that has been carried out by the BAS in the Antarctic peninsula. So far, BAS has found shows of a wide variety of metallic minerals including copper, zinc, and tin, but cannot base any estimate of likely reserves on these investigations alone.

The BAS research programme has yet to include plans for detailed seismic and drilling work and, without data from such studies, no one can be sure of the extent of the continent's mineral riches.

Dr Swinbank pointed out that as well as the technical problems involved in drilling through continually shifting glacial ice into bedrock, there are the legal difficulties surrounding ownership of results of test borings. Who do operators go to for a licence to drill? Will the data they obtain remain their property? What is to prevent a commercial or political competitor setting up his drill

rig next to theirs? Without the assurance of legal ownership over their work, no investor in his right mind is going to put money into detailed exploration of the Antarctic, he said. And, without such detailed geological investigations, the Antarctic continent will remain the largely uncharted glacial desert it is today.

BAS is doing its best with the limited financial support it receives from the British Government to remedy the situation, but after 30 years' work in the region, Dr Swinbank said: "There are better maps of the dark side of the moon than there are of the Antarctic."

The one area for which moderately well-defined maps do exist is the Antarctic peninsula—the area claimed by the UK, Argentina and Chile. Dr Swinbank is in no doubt about the area's rightful owner. "The BAS has carried out 95 per cent of the geological investigations on the peninsula,"

he said, "besides which Britain registered its claim in 1908—35 years before Argentina's claim and 32 years before Chile."

In an effort to allay the squabbles over the disputed regions, the Antarctic Treaty was drawn up in 1959 to keep all states until 1975, which was announced last October. However, Mr Ojukwu remains a far more contentious figure.

Some, like the British, Argentines and Chileans, claim only a slice of the continent. In the case of the South American claimants their slices overlap with part of the territory generally regarded as being within Britain's sector. The practical implications of this rivalry have

been kept to a minimum so far, with all countries established on the Antarctic having free reing over other national "territory."

Like many other claimants Argentina bases its arguments in defence of its rights on lines drawn to the South Pole from the extreme eastern and western points of its territory, including offshore islands. Here lies the importance of Argentina's attempts to wrest from Britain the Falkland dependencies of the South Sandwich and the South Georgias, which were joined administratively to the Falkland Islands only in recent times.

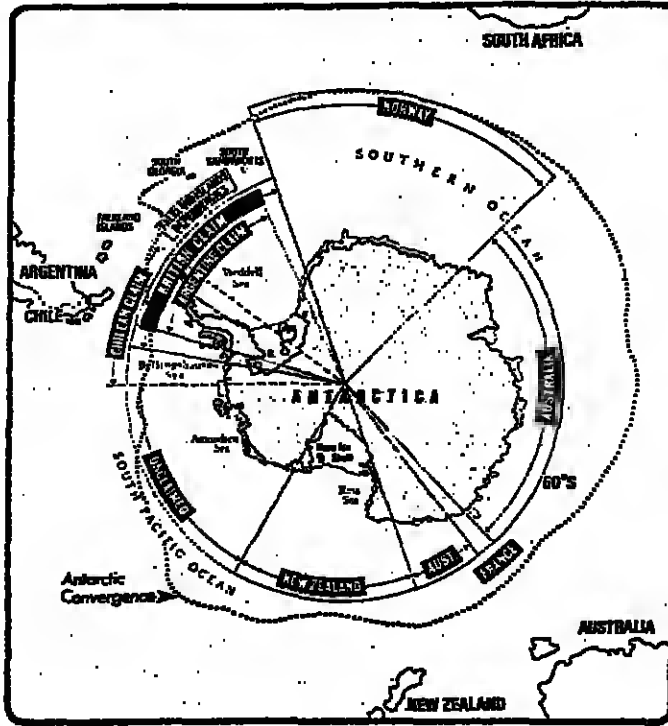
Unless the Antarctic Treaty is nullified by the battle for the Falklands, none of the signatories will be able to argue the terms of the Treaty until 1996—the date set for the next round of negotiations over ownership of the disputed regions, when signatories of the Treaty can withdraw their support.

Arguments over territorial sovereignty may result in coun-

tries like Argentina pulling out of the Treaty, but there will be little to fight over on the Antarctic ice as developed on a commercial scale, partly because the offshore oil resources will take precedence over onshore mineral deposits. But even these offshore oil resources, which could yield from 15 to 50bn barrels according to the assessments by the U.S. Geological Survey and Gulf Oil, will take many more years to develop.

First will come the harvesting of the region's only proven resource: immense quantities of krill (a crustacean similar to a shrimp) found in the sea around South Georgia and south to the Antarctic peninsula.

Present-day reserves of krill in the region, according to Dr Inigo Everson of the BAS Marine Biology Division, far exceed the existing world catch of fish. It is a resource which could easily rival oil and minerals in importance, but it is as yet under-used by man.



Whales, seals and sea birds take well over 100m tonnes of krill each year while man uses only 200,000 tonnes. Conserved properly, Dr Everson believes

that in the near future krill could become an important part of the human diet but, at present, most of the krill caught today is used as fishmeal.

## Argentina 'ready to weather sanctions'

BY JIMMY BURNS IN BUENOS AIRES

ARGENTINA'S ECONOMY Minister, Sr Roberto Alemann, yesterday lambasted the European Community and said that his country's economy would be able to sustain sanctions as "long as necessary." He also denied that he was under pressure to resign.

Sr Alemann was speaking on television on his return from an extensive tour of the U.S. and Europe where the Minister claimed to have had "considerable success" in reassuring Western bankers about Argentina's economic situation.

Sr Alemann, in his strongest attack to date on the EEC's sanctions, said that the Community had been involved in a "political trade-off" with France agreeing to support Britain over the Falklands in return for expected concessions on the EEC budget.

"The Community is mistaken if it thinks it can persuade the President or the military junta... we are prepared to hold out as many months as necessary until our sovereignty is recognised," Sr Alemann said.

He gave a warning that if the EEC extended its blockade beyond the seven-day extension agreed in Luxembourg this week, local subsidiaries of European companies "would

The British Government is to broadcast its own radio programmes to Argentine troops on the Falkland Islands, the Ministry of Defence announced yesterday. The Government station, to be called Radio Atlantico del

suffer." Although he did not elaborate, the implication was that Argentina might consider a total clamp-down on existing contracts with some European companies which in spite of the crisis have been respected so far.

Argentina would also close any loopholes affecting imports from European countries.

Brushing aside suggestions that Argentina might be heading for an economic crisis as a result of the war, Sr Alemann expressed optimism in his country's external and domestic financial position.

He was speaking following the release of official figures showing a first quarter trade surplus of \$1.1bn compared with a deficit of \$750m during the first quarter of last year.

In Buenos Aires, bankers reported that the financial markets had reacted "psychologically" to the recent reduction

Sr, will transmit programmes in Spanish including popular music and news items. Programmes will be produced by the Ministry and will be broadcast from a requisitioned BBC transmitter on Ascension Island.

in the minimum reserve requirement and that interest rates were coming down substantially for the first time in several weeks.

Sr Alemann claimed that during his meeting with leading Western bankers in Zurich and New York he had found no one willing to express a "tough position" towards Argentina. "On the contrary, they were all very understanding when I told them about the British aggression," he said.

Foreign bankers in Buenos Aires have confirmed Sr Alemann's claim that Argentina for the moment, is in no danger of defaulting on its debts.

Argentina was continuing to pay interest payments due and European and U.S. bankers were agreeing to "roll over" short-term credit.

But in his interview yesterday Sr Alemann did not rule out the possibility that Argentina

might have difficulty in meeting its future borrowing requirements if the conflict with Britain was prolonged.

Sr Alemann confirmed that negotiations on medium and long-term credit had been suspended until further notice "because of the crisis" and the negative impact this might have on spreads.

It was reported yesterday that a top-level trade mission led by the Under-Secretary for Agriculture, Sr David Lacroza, would visit Moscow before the end of the month. The mission is expected to press the Soviet Union—Argentina's major trading partner—to resume its cereal contracts with Buenos Aires which have been postponed since April 2.

Argentina is hoping to export an estimated 15m tonnes of cereals to the Soviet Union in 1982 but so far just over 6m tonnes have been committed.

The Russians are reported to be holding off because of the possible danger to shipping of the British naval blockade and the hope that Argentina might reduce its prices. Moscow is also due to resume negotiations with the U.S. on cereal trade soon.

## Both sides wary of the other's submarines

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

BRITAIN'S task force has now admitted to losing five helicopters—three of them Sea Kings—worth roughly £2.5m each and designed primarily for anti-submarine warfare. The Sea Kings have been lost, not as a result of Argentine fire but apparently because of dangers inherent in searching for submarines in the rough weather being experienced around the Falkland Islands.

The loss of the Sea Kings illustrates the importance and the dangers of anti-submarine operations. The two navies may have no more than six submarines of any description in the South Atlantic but the damage they can cause is out of all proportion to the numbers involved—as the sinking of the General Belgrano by a British submarine showed.

About 300 men lost their lives and 700 were saved as the Belgrano went down. It needs very little imagination to realise the likely impact in Britain were the Argentine fleet to be invulnerable or, worse, the two aircraft carriers in the South Atlantic to fall victim to an Argentine torpedo. The commanders of both navies are reported to be seriously concerned about the submarine threat.

Britain has never said how many of what sort of submarines it has in the South Atlantic. The general assumption, fed by judicious leaks from the Ministry of Defence, is that there are up to four of them: 12 nuclear-powered vessels there.

These are probably of the Swiftsure class—big boats, nearly 100 yards long and displacing more than 4,000 tons when they dive. They are armed with the primarily anti-submarine torpedo Tigerfish, as well as with the older Mark 8 anti-surface ship torpedo.

Argentina, which has at least six new German submarines on order, currently has only three boats, all diesel-powered. Two are mid-1970s German T209s, called the Salta and San Luis, and the much older U.S.-built Guppy class Santiago del Estero, the 2,420-ton sistership of the Santa Fe beset during the British recapture of South Georgia. The SST 4 torpedoes on the Salta have a similar speed and range to the Tigerfish—about 30 knots for eight miles, but the Salta's weapon which also attacks surface ships has a computer, and heavier warhead, possibly making it more accurate.

In theory, Britain's task force ought to be better at detecting the three Argentine submarines, if only because a key role of the British Navy in the North Atlantic is anti-submarine warfare. But in the South Atlantic, the anti-submarine operation is hampered by several key factors.

The first stems from the nature of the sea and the continental shelf which stretches from the Argentine coast to embrace the Falklands. This shelf, at between 390 ft and 525 ft, is much shallower than the North Atlantic for which the huge nuclear-powered hunter-killer submarines were designed. Combined with often extreme underwater turbulence, the advantage in detection is probably with the smaller and quieter (though less fast) Argentine submarines.

The conditions are such that the British hunter-killers' passive sonars may often be ineffective—but if active sonars are used, the British submarines are in danger of giving away their position.

Another key means of submarine detection is airborne—the Sea Kings, and the Nimrod reconnaissance aircraft. Both in the conditions of the South Atlantic, may also have drawbacks. The Sea King relies on dipping its sonar into the sea,

on a line which has a maximum depth of around 250 ft and can "see" for three or four miles. For maximum effectiveness the Sea King must hover no more than 30 ft above the sea, which can be dangerous in high seas.

In the North Atlantic, Nimrods depend on prepositioned sonar buoys for their information. It is not clear that a sufficient network of such buoys has been dropped in the South Atlantic to allow efficient detection.

The surface ships have their own sonars capable of detecting submarines, but they rely primarily on the detection net which is thrown at its widest by the Nimrods and Sea Kings.

Ministry of Defence officials believe that Argentina's fears of Britain's submarines are such that most of its fleet has been kept well within coastal waters. But, diplomats in Buenos Aires believe that while at least one of the Salta class is intent on seeking out the British carriers, the Guppy may well be trying to track the QEE with 3,000 British troops on board.

This sea, as one naval captain put it, is a very big place, and even in this era of high technology warfare, chance plays a very important role.



## Meese confident of interest rate fall after budget

BY ANATOLE KALETSKY IN WASHINGTON

THE REAGAN Administration may reconsider its economic policies if interest rates do not fall sharply after Congress passes a budget for fiscal year 1983, beginning in October.

Mr Edwin Meese, President Reagan's chief domestic policy adviser, suggested this on Tuesday night to a group of reporters, while insisting that agreement on a budget would, in fact, reassure the financial markets and trigger a drop in interest rates to an "appropriate" level of about 8 to 10 per cent.

However, he said the President "will look to other measures" to reduce interest rates if "there is not some reasonable response" from the markets to a budget agreement. He refused to be specific about such measures, saying only that "we will be looking at everything possible of that point."

Mr Meese's comments were interpreted as a hint that the Administration might reconsider its support for the Federal Reserve's monetary policies if interest rates do not respond to a budget agreement.

An official spokesman for the White House, Mr Larry Speakes, rejected any such interpretation.

"I would knock down hard the idea raised in news stories that we were making any hint of changing monetary policies," Mr Speakes said.

"At no time did Ed say the President was contemplating a change in economic policy. We fully anticipate that once the budget is passed interest rates will come down. Ed was stating what was obvious. If they do not come down we would look at other steps on the economic front."

Mr Speakes emphasised that consistency had been a "hallmark" of the Administration's economic policy, but admitted that there were "many alterna-



Edwin Meese

tives" which could be tried if interest rates did not come down after a budget agreement.

Mr Meese had said that he expected inflation to level off at about 3 per cent to 5 per cent. Appropriate interest rates for this level of inflation would be between 8 and 10 per cent.

Max Wilkinson, Economics Correspondent, adds: Mr Donald Woolley, chief economist of the Bankers Trust of New York, said yesterday that U.S. interest rates were unlikely to fall substantially before the end of this year and, as a result, economic recovery was expected to be "fragile."

Mr Woolley said in London that although the U.S. inflation rate was falling, he was sceptical about the extent to which the Administration would be able to get its budget deficit under control.

The U.S. budget problem could not be resolved without special action to reduce spending, and probably to raise revenues at will.

## Brazil trade surplus declines

By Our Sao Paulo Correspondent

BRAZIL last month recorded the smallest visible trade surplus of the year—\$22m (£12.2m)—gained from exports of \$1.549bn and imports of \$1.571bn, according to Sr Ernane Galves, Finance Minister.

The surplus accumulated only because a sharp drop in imports compensated for weakness in exports. From January to April, Brazilian imports fell 15.8 per cent to below 1981 levels, while exports were 7.6 per cent below the same period of last year.

The trade balance for the first four months of 1982 shows a surplus of \$178m. Sr Galves maintains that Brazil will achieve its year-end export target of \$25bn and finish the year with a trade surplus of \$3bn.

Private economists pitch their estimates lower, at about \$2bn. They point to the continuing weakness in commodity prices and the problems facing the major importing countries of Brazil's industrial goods, including Nigeria.

Foreign reserve figures turned upwards in April after three consecutive months of decline, said the Central Bank. Brazil's reserves rose to \$7,024bn, an increase of \$10.6m over March, but \$481.9m lower than last December 31.

Despite the drop of \$481.9m in the first four months of this year, the Central Bank expects that reserves will increase to \$8.5bn by the end of 1982.

Problems have arisen, especially over the uranium market and shipping conference rates, because of the U.S. claim that its anti-trust law is applicable to any action which

## Carter's 'last will' angers Democrats

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

PRESIDENT Jimmy Carter's final act in office was to draw up a "last will and testament" bequeathing the country's economic problems to the incoming President, Ronald Reagan.

That, at least, is the caricature version portrayed in a 30-second television advertisement unveiled by the Republicans this week, as the first blow in a \$10m (£5.5m) or more television campaign in advance of November's mid-term Congressional elections.

The Democrats are, predictably, furious—all the more so because look-alike actors are used to depict Mr Carter and Mr Tip O'Neill, the Democratic Speaker of the House of Representatives listening with relish as the "will" is read out by an anonymous lawyer as

the actor playing Mr O'Neill chortles loudly, the lawyer intoning, "Government spending money like it was going out of style. To the Republicans in Congress, we leave the real problems."

Mr Tony Coelho, chairman of the Democratic Congressional Campaign Committee, immediately denounced the advertisement, saying the economy had been growing when Mr Carter left office.

He quoted authoritative independent economists as saying that the recession began last July—six months after Mr Reagan took over.

Mr Coelho immediately sent telegrams to television companies warning them that the less well-behaved Democrats might demand free time to answer, especially if

the advertisements were shown with "full knowledge of flagrant inaccuracies."

The claim that Mr Reagan was left a recession was "false, misleading, and totally inaccurate," he declared. The truth was that the recession had been brought about by Mr Reagan's "unfair economic policies."

Mr Guy Van Der Jagt, chairman of the National Republican Congressional Committee, said he had relied on the support of an opinion poll taken by his committee.

He said it showed that 33 per cent of Americans blamed the Democrats for the recession, 17 per cent blamed the Republicans, 36 per cent blamed both parties, and 14 per cent had no answer, or said that neither party was to blame.

One of the three major TV networks—CBS—has refused to run the advertisement on the grounds that it is too early in the Congressional campaign.

The two others, ABC and NBC, are still demanding verification of some of the statements made—for example, that "under the Democrats, soaring prices made it hard to live like you used to."

A second advertisement shows two couples setting off on holiday in a dust-covered camping trailer which, it seems, they have not been able to use for two years because of high prices.

President Reagan and Republicans in Congress created programmes that brought inflation down— from more than 12 per cent

to less than four," says a disembodied voice. The theme of both advertisements is that the Republicans "are beginning to make things better."

Mr O'Neill—the real one—objects to the advertisement as "degrading the office of the Presidency."

The Republicans, however, had made one concession: The fake President Carter does not speak—for the very reason that that might have offended some Americans because of their "underlying respect" for all tenants of the White House.

Footnote: The Reagan Administration is trying to reduce the power of the Federal Trade Commission to act against misleading advertisements.

## U.S. and Australia draw up draft anti-trust pact

BY PAUL CHEESERIGHT

THE U.S. and Australia have drawn up a draft agreement providing for consultations over the application of U.S. anti-trust laws, in an attempt to avoid frictions caused by the clash of their different legal systems.

Problems have arisen, especially over the uranium market and shipping conference rates, because of the U.S. claim that its anti-trust law is applicable to any action which

has an effect on U.S. commerce.

This has placed Australian companies in the position of obeying their own domestic laws while being in breach of those of the U.S. The issue caused such aggravation that it was discussed by President Reagan and Mr Malcolm Fraser, the Australian Prime Minister, in Washington last year.

The draft agreement, announced by Senator Peter

Durack, Australian Attorney-General yesterday, recognises that circumstances exist when U.S. anti-trust enforcement might be in conflict with Australian policy.

It agrees that prior consultations should be held when it appears that U.S. action might affect Australian interests, or vice versa.

U.S. officials said the agreement was significant because it

took anti-trust matters out of the realm of political conflict. The agreement was first mooted in 1980, but discussions have only recently been resumed.

The Australian Government was particularly disturbed in charges by Westinghouse Electric the mid- and late 1970s by the fact that companies such as CRA, Pancontinental Mining and Mary Kathleen Uranium had been involved in an inter-

national uranium cartel.

Since then, Australia has joined the UK and other Commonwealth and European countries in passing laws to block U.S. anti-trust enforcement.

Over the past two years, however, as the Westinghouse case has been settled out of court, the political temperature has dropped considerably. The U.S.-Australia draft is the first tangible sign of this.

## Opec sure it can hold oil price at \$34 a barrel

BY RICHARD JOHNS IN QUITO

THE Organisation of Petroleum Exporting Countries meets in Quito, Ecuador, today with members generally confident that the price structure and reference of \$34 a barrel established late last year can be maintained more or less intact over the critical four months ahead.

Rising spot prices and a recovery of Nigerian production have strengthened the belief that collective output, which was reckoned to have slumped to below 16m barrels a day last month, will reach 19.5m-22m b/d in the last quarter.

The current level is believed to be slightly in excess of 17m b/d because of an increase in Nigerian and Iranian shipments.

Equally crucially, Nigeria has evidently been additionally fortified and dissuaded from succumbing to market pressures by a firm offer by Saudi Arabia of financial aid.

Even so, heat is bound to be generated in the rarefied Andean atmosphere by allegations, supported by a number of independent analysts, that Iran is producing substantially in excess of the 1.2m b/d allocated to it at the extraordinary conference held in Vienna two months ago.

Iranian output could be as much as 1.8m b/d, including 1.5m b/d exports. It is also known to be selling at below its official rate of \$30.20, already \$4.00 out of line with the system adhered to by other members. But its deals, not least its barter agreements, are obscure.

On his departure from Baghdad to Quito late last week, Mr Tayeb Abdul-Karim, the Iraqi minister of oil, accused Iran of violating Opec agreements.

Mr Mohammed Garazi, his Iranian counterpart, made it abundantly clear two months ago in Vienna that Tehran did not subscribe to Opec's first-ever production programme, which set the ceiling of 17.5m b/d on all members' output.

At its meeting in Caracas on Tuesday, the four-man ministerial committee set up to monitor the market decided to recommend its continuation.

Mr Abdul Karim's animosity may be intensified by Iraq's recent reverses in the war with Iran and the apparent failure of its air raids earlier in May to disrupt export from Kharg Island. He can expect to receive a measure of support from the conservative Arab oil producers of the Gulf.

By contrast, Libya can be relied on to join with Iran in asserting vociferously that Saudi Arabia's share of the market—the kingdom's output is reckoned to be less than 6.5m b/d at the moment, compared with a ceiling of 7m b/d—is still too large.

In practice, a majority of members believe that the structure can be preserved in its essentials until the anticipated build-up of demand towards the end of the summer, despite Iran's refusal to conform.

Ecuador's recent admission that it had sold 1.82m barrels on the spot market, at an average of nearly \$2m below its official selling rate, is not considered of serious consequence.

The problem has apparently been solved by Venezuela's agreement to refine the excess output of its fellow Latin American member, though it is unclear whether the deal will still involve an effective discount.

## Senate vetoes FTC rule

BY OUR WASHINGTON CORRESPONDENT

THE Federal Trade Commission, the U.S. Government's principal consumer protection agency, has been dealt a major blow by the Senate, which has voted for the first ever congressional veto on an FTC regulation.

The regulation, which would require used car dealers to disclose known defects in their cars on window stickers, had taken the FTC nearly 10 years to prepare.

The veto, which may be confirmed by the House of Representatives this week, is the first congressional action under a 1980 law which greatly increased legislative control over the FTC.

The commission has been under attack in recent years from conservative politicians, who regard many of its actions as Government interference in private sector activities.

Last week the Senate commerce committee voted to recommend curbs on the FTC's power to regulate "unfair" advertising.

The committee also recommended moves to prevent the agency from taking anti-trust action against professional groups, such as medical and legal associations, which allegedly fix prices, limit competition between their members and restrict advertising.

The commission's staff had intended to focus more of its anti-trust activities on such professional groups rather than the large corporations and mergers, with which it had been traditionally preoccupied.

Congressional opposition to the FTC has been backed by extensive lobbying by special interest groups. The used car industry contributed more than \$800,000 (£444,000) to congressmen's campaign funds in 1980 and 1981.

Senator John Danforth, said in Tuesday's debate on the used car veto that it would be "an invitation to interest groups to apply the maximum amount of pressure on Congress."

# ENGINEERED TO OUTRIDE, OUTLOAD AND OUTLAST THE CAR YOU'RE DRIVING NOW.

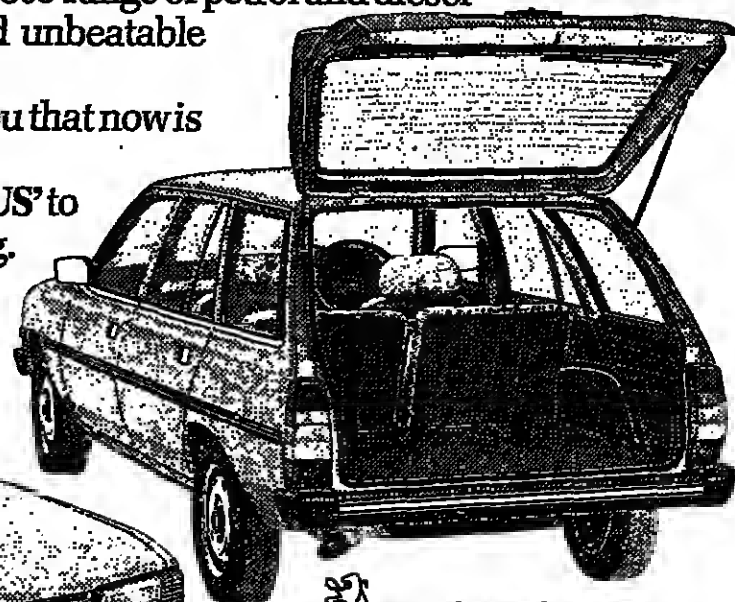
Precision designed for the utmost comfort. Uniquely engineered for the most spacious and versatile load area. Quality built, and rigorously checked, to stand the test of time. The outstanding Peugeot 305 range of petrol and diesel saloons and estates. Economical, reliable and unbeatable value for money—prices start from just £4,616.

Visit your Peugeot dealer and he'll tell you that now is a particularly good time to buy your new 305.

He's ready with a special 'SPRING BONUS' to help you invest in Peugeot's unique engineering.



Precision engineered for outstanding ride and comfort.



53.3 cu. ft. of usable load space.

## THE UNIQUELY ENGINEERED PEUGEOT 305 TAKE PRIDE IN PRECISION

THE 305 RANGE OF SALOONS AND ESTATES. 9 MODEL OPTIONS, PETROL AND DIESEL. FOR THE ADDRESS OF YOUR NEAREST DEALER CHECK YELLOW PAGES. DIPLOMATIC, NATO AND PERSONAL EXPORT INQUIRIES: PEUGEOT/TALBOT PARK LANE 63/67 PARK LANE, LONDON W1Y 3TE, TEL: 01-499 5533. PRICE CORRECT AT TIME OF GOING TO PRESS.



## WORLD TRADE NEWS

## Japan may cover farm products in next trade package

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

THERE IS a chance that farm products will be covered by the next Japanese trade liberalisation package, a Japanese Ministry official said yesterday.

His remarks followed a brief period of confusion within Japanese Government departments over the contentious issue of farm products imports. The confusion developed from letters handed to various Japanese ministries in Paris last week by Mr William Brock, the U.S. Special Trade Representative.

In his letter, Mr Brock apparently demanded complete liberalisation of Japan's approach to imports in the highly protected domestic agricultural sector.

The issue is a source of rising agitation in Japan, and yesterday representatives of Japan's 6m farmers expressed opposition to calls for full import liberalisation or expansion of import quotas for farm products, such as beef and oranges.

Earlier this week, Mr Yoshio Sakurachi, the Foreign Minister, wrote Mr Brock advising him it would be difficult to include the lifting of agricultural quotas in the liberalisation package expected in preparation for next month's world economic summit in Versailles starting June 4.

## Swiss engineering order books 'thinnest on record'

BY JOHN WICKS IN ZURICH

ORDER BOOKS in the Swiss engineering industry are the thinnest on record, according to the country's Association of Machinery Manufacturers.

At the end of the first quarter, orders on hand were equal to an average of only 6.7 months' production. This compares with the equivalent of 7.4 months a year earlier, and as much as 10.2 months at the start of the boom years of 1974.

A total of 200 member companies in the metals and machine-building industry reported an overall order-book volume of SwFr 14.7bn (\$4.1bn). This was only 3.3 per cent higher than in the first quarter of 1981, a growth well behind that of inflation.

Although new orders were up over the year by SwFr 871m or 22.1 per cent, this was due largely to a single Middle-East order worth over SwFr 650m and to the effect of inflation.

## U.S. sends coal mission to Europe

By Leslie Collett in Berlin

A U.S. coal-selling mission to Western Europe is seen by both Polish and U.S. officials as an attempt to capture markets from Poland, which suffered sharp fall in coal exports last year.

The week-long mission, which today holds meetings in Spain with coal importers will go on to Italy, France and Belgium.

Before the departure of the group, Mr Malcolm Baldrige, U.S. Commerce Secretary, said the U.S. had the most stable labour climate among coal-producing countries, while the situation in Poland was causing "unease in European markets about the reliability of Polish coal."

The U.S. exported 110m tonnes of coal last year, three times the amount shipped in 1978. This year U.S. coal exports are expected to slump to 105m tonnes because of the economic recession.

While Western European buyers worry about the reliability of Polish coal exports, they have also shown concern about the U.S. ability to deliver because of the decaying rail system and insufficient port capacity. For this reason, the U.S. mission includes representatives of railways, ports and federal agencies involved in coal production, transport and exports.

The mission, headed by Mr William Morris, an assistant secretary for trade development, will try to find European buyers interested in long-term purchases of U.S. coal.

The Commerce Department said it is also demonstrating the Administration's determination to establish itself as "Europe's most reliable and secure coal supplier."

Polish commercial officials in the West said it was clear that the U.S. was chasing Poland's slice of the West European coal market.

The U.S. exported 34.5m tonnes of coal to Western Europe last year, while Poland fell far short of meeting its contracts because of labour protests. Polish coal deliveries fell to 8m tonnes compared with 41m tonnes exported in 1979.

## Foreign orders boost for West Midlands

BY LORNE BARLING

AT A TIME of declining world trade and increasing political disruption of world markets, West Midlands exporters of manufactured goods appear to be maintaining and in many instances increasing their level of business abroad, but at low margins.

Although many exporters point out that it is hard to detect a trend in overseas markets because they are complicated by currency movements, diverging interest rates and third party competition, recent figures from the West Midlands Regional Chambers of Commerce show a steady improvement in export orders and deliveries over the past three months.

In the first quarter of this year, a third of 367 companies taking part in a survey said that export deliveries had increased, compared with 26 per cent in the final quarter of 1981, while 36 per cent had improved their export order books against 28 per cent in December.

A high proportion of companies involved in the survey were small manufacturing and engineering concerns, many of which have been forced into export markets as a result of falling demand at home.

Mr Brian Varley, the Department of Trade's regional director, exports, believes that this qualified success is partly attributable to the enforced perseverance of companies in export markets during an unusually long recession.

"A downturn in the UK economy has always led to *ad hoc* export efforts, but this time companies have committed themselves more thoroughly, increasing export staff and broadening their markets," he said.

Although profit margins on exports were often low, companies would probably be unwilling to give up hard-won business abroad. It was therefore hoped that they would be able to cope with slowly rising demand at home without relinquishing exports.

Mr Varley pointed out that the Government's aid scheme for the purchase of new machine tools and other capital equipment by small companies had resulted in a flood of applications, indicating that industry wanted to be in a position to meet higher demand at lower unit cost.

"For any small company, the installation of a numerically controlled machine tool increases capacity enormously, and it is smaller concerns which will need this capacity for subcontracting work," he said, suggesting that recent economies at large engineering concerns would make this necessary.

Sectors which had been unable to make much headway in export markets, and indeed suffered from competition from imports, remained those producing lower added value products, Mr Varley pointed out.

However, increased marketing efforts overseas have tended to be at the expense of research and development by the cash-starved smaller companies, Mr Varley believes. Many are living dangerously on exports, exposed to currency fluctuations and political disruption, he warned.

He emphasised that despite signs of improving demand, companies in the West Midlands were having to live with flat markets both at home and abroad. Those which had maintained growth through higher exports had often seen profitability decline.

"The companies which have maintained their margins are those which have been moving up market, getting out of older products and putting resources into innovation," he said.

The recent export performance of Lucas Industries illustrates this well. In the second half of last year, when sales abroad were valued at £124m, aerospace equipment exports were up by 30 per cent compared with the same period in 1980, while automotive parts were up by 14 per cent, and general industrial equipment was down by nearly 40 per cent.

Lucas, whose aerospace company is the largest of its kind outside the U.S., points out that while the world aircraft industry has suffered setbacks recently, longer term contracts tend to iron out fluctuations in demand and currencies. The company is less optimistic about the U.S. motor industry market, but nevertheless predicts an overall 10 per cent increase in the value of its exports this year.

Another increasingly evident constraint on exports, the CBI points out, is the rising number of problem markets, such as Iran, Nigeria and Poland—all

previously big UK customers—and others where it is difficult to obtain Export Credit Guarantee Department (ECGD) cover.

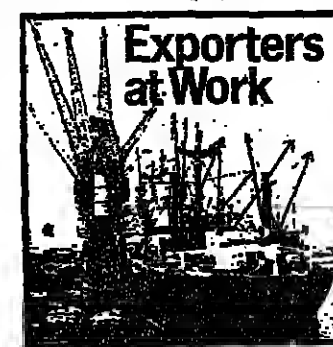
In addition, embargoes such as that on Argentina, and the U.S. restrictions on certain exports to the Soviet Union (which has hit some UK component suppliers) are narrowing down the choice of potential overseas customers and generally depressing trade.

The ECGD's Midlands office also points out that claims for non-payment in Europe and the U.S.—traditionally the safest markets—have also gone up recently, almost certainly as a result of recession.

Most exporters are now acutely aware of the need to improve margins, particularly if they see a long term future in particular markets. Recent low wage increases have been helpful in this respect, but a fall in the value of sterling against European currencies would be widely welcomed.

It is becoming more difficult to increase prices in export markets, due to domestic and foreign competition. Rising ECGD premiums are for some an unavoidable additional cost.

Overall, work forces in the West Midlands have responded well to the need for good quality, competitively priced exports, often in the knowledge that the future of their company may depend on repeat orders.



Exporters at Work

Nevertheless, many exporters were learning to spread their risks over seven or eight markets instead of three or four, and their approach was becoming far more professional.

According to Mr Steve Rankin, regional director of the Confederation of British Industry (CBI), there is increasing concern over worsening recession in two of the UK's key markets, West Germany and the U.S. Competition from these countries in third markets is also increasing.

## Sikorsky looks for partners

BY MICHAEL DOWNE, AEROSPACE CORRESPONDENT

SIKORSKY AIRCRAFT, one of the world's biggest manufacturers of helicopters, is seeking international partners to help develop rotary-winged aircraft.

Mr Robert F. Dapell, president of Sikorsky, said at the Hannover Air Show: "We are also looking for long-term collateral development agreements on present and future programmes."

Mr Dapell said that Sikorsky's sales will exceed \$1bn (£555m) this year, and will reach almost \$2bn by the mid-1980s. Its products include the S-70 commercial helicopter and the H-60 military aircraft.

The H-60 Black Hawk is becoming the standard U.S. military helicopter, and Sikorsky expects to build more than

2,400 aircraft for the U.S. armed forces.

"The threat we all face is that such research and development money we have must be used to its fullest potential. It should not be spent duplicating helicopter technology for each country just for the sake of it."

"Joint efforts represent the most cost effective approach. The results can be shared by everyone and the investment in scarce development dollars can be maximised," he said.

"Also, since our new product lines are very flexible, they can be modified with various different mission suits to a customer's specifications without facing overwhelming development costs."

Orders for ten of the new Franco-Italian ATR-42 49-seat regional airliners have been announced by U.S. and French airlines.

Avions de Transport Regional, the joint Franco-Italian company building the ATR-42, said that Wright Airlines of Cleveland, Ohio, had ordered eight ATR-42s, for delivery in early 1983, while Air Littoral of Montpellier, France, is buying two aircraft, for delivery in late 1983 and early 1984.

Aero Lloyd, the West German charter airline, has ordered three McDonnell Douglas DC-9 Series 30 jetliners for service between West Germany and Mediterranean holiday destinations.

## Plessey to equip new Grenada airport

BY TONY COOPER IN BRIDGETOWN

PLESSEY AIRPORT of the UK has extended credit to the Grenada Government so that it can equip the country's new international airport with navigation, communication, ground handling and electronic equipment.

An agreement by which the Grenada Government would pay 15 per cent of the EC\$33m (£9.2m) contract with Plessey in advance while receiving credit for the remaining 85 per cent from the company has been signed by Mr Bernard Corrie, the Grenada Finance Minister, and Plessey Airports' general manager, Mr Derrick Collier.

The airport is being built at a cost of \$75m with Cuban technical assistance and a loan from the European Economic Community.

The contract, valued at £6.6m, brings new airport contracts announced by Plessey in the past month to approximately £18m.

The airport will stimulate economic development, in particular the growth of tourism. There is an airport at Pears, but the new 9,000-ft runway at Port Salines will for the first time offer a landing facility to wide-bodied jets.

The development is on a virgin site where initial civil engineering works including the construction of a causeway are already in progress.

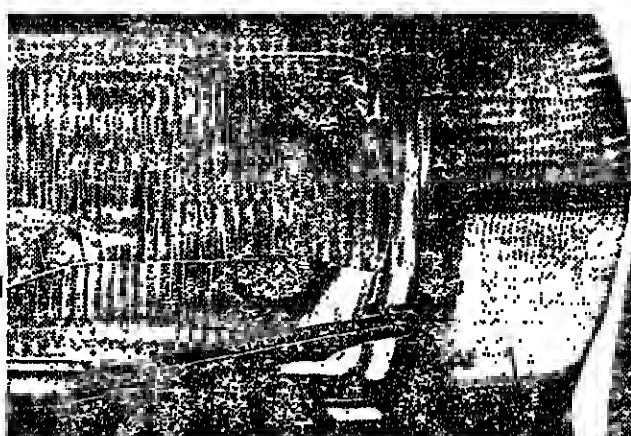
nicial assistance and a loan from the European Economic Community.

The contract, valued at £6.6m, brings new airport contracts announced by Plessey in the past month to approximately £18m.

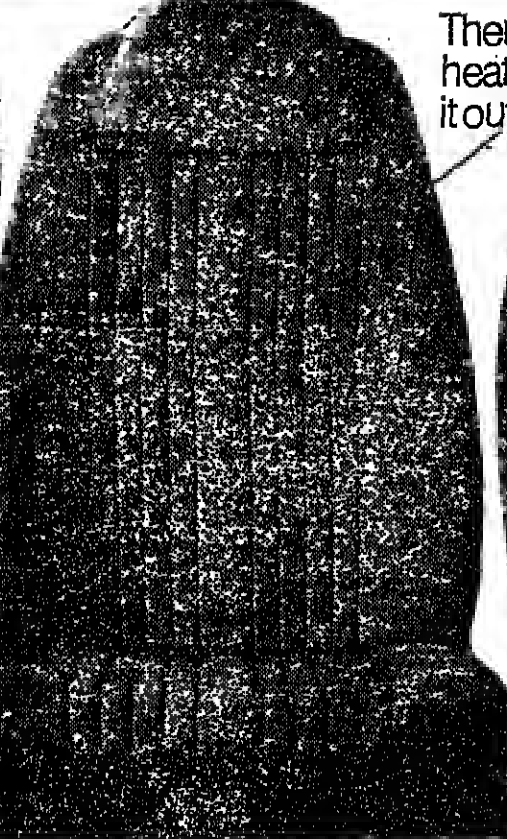
The airport will stimulate economic development, in particular the growth of tourism. There is an airport at Pears, but the new 9,000-ft runway at Port Salines will for the first time offer a landing facility to wide-bodied jets.

The development is on a virgin site where initial civil engineering works including the construction of a causeway are already in progress.

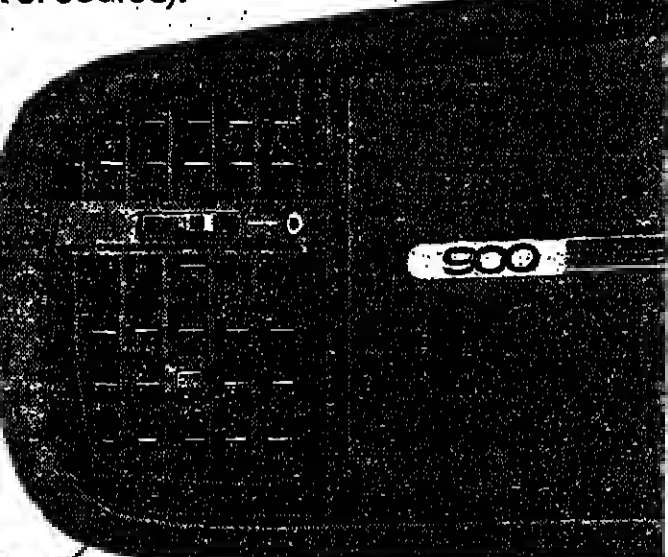
WELL, FOR JUST OVER £7,000 YOU CAN'T EXPECT MUCH CHOICE.



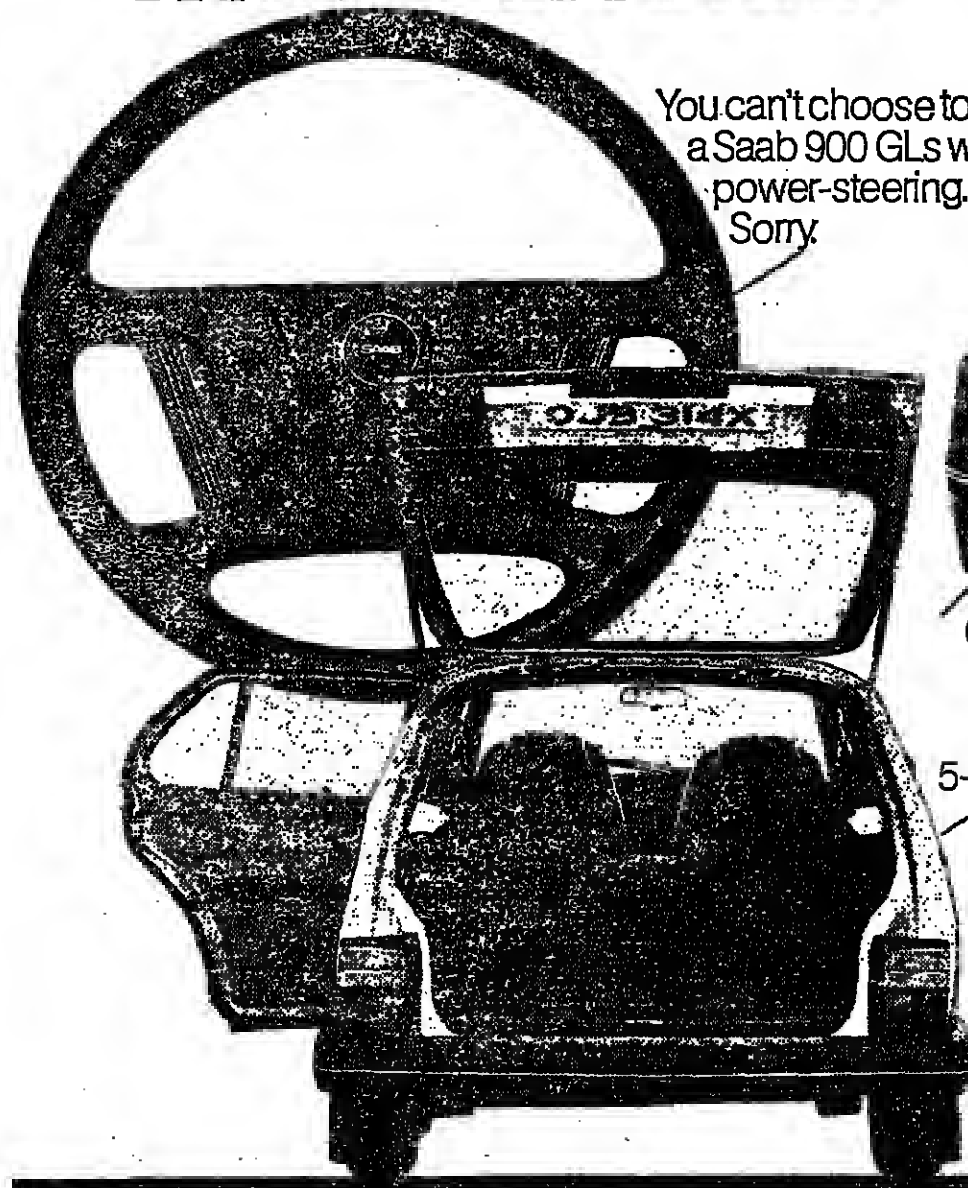
Ever since we invented wash/wipe headlights we've been forcing them on the motoring world.



There's no choice about the thermostatically heated driving seat either (unless you tear it out of course).

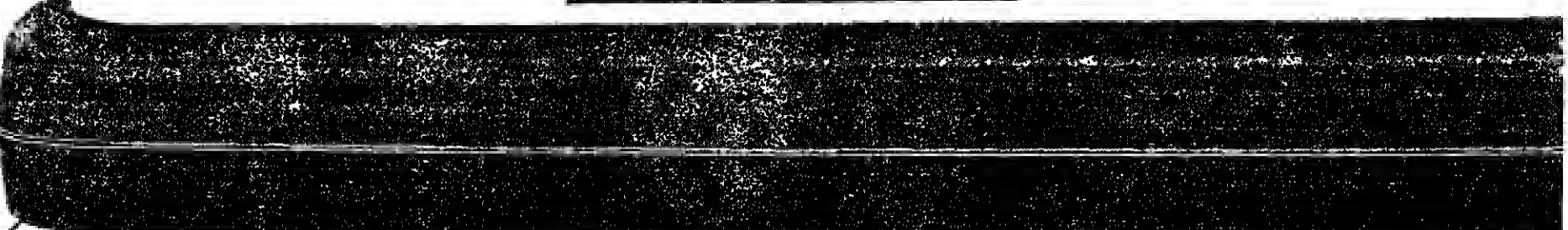


You can't choose to make do without probably the world's most advanced car heating and ventilation system.



You can't choose to buy a Saab 900 GLs without power-steering. Sorry.

Another non-option: daytime running lights are compulsory on the GLs.



Chunky self-repairing bumpers are optional - if you don't want them don't buy a GLs.

5-Door GLs.

4-Door GLs.



Of course we don't deny you all freedom of choice when you buy a Saab 900 GLs. You can choose from three, four or five door models (although an enormous

load-carrying capacity is compulsory). You can choose manual or automatic transmission. You can even choose a sunshine roof.

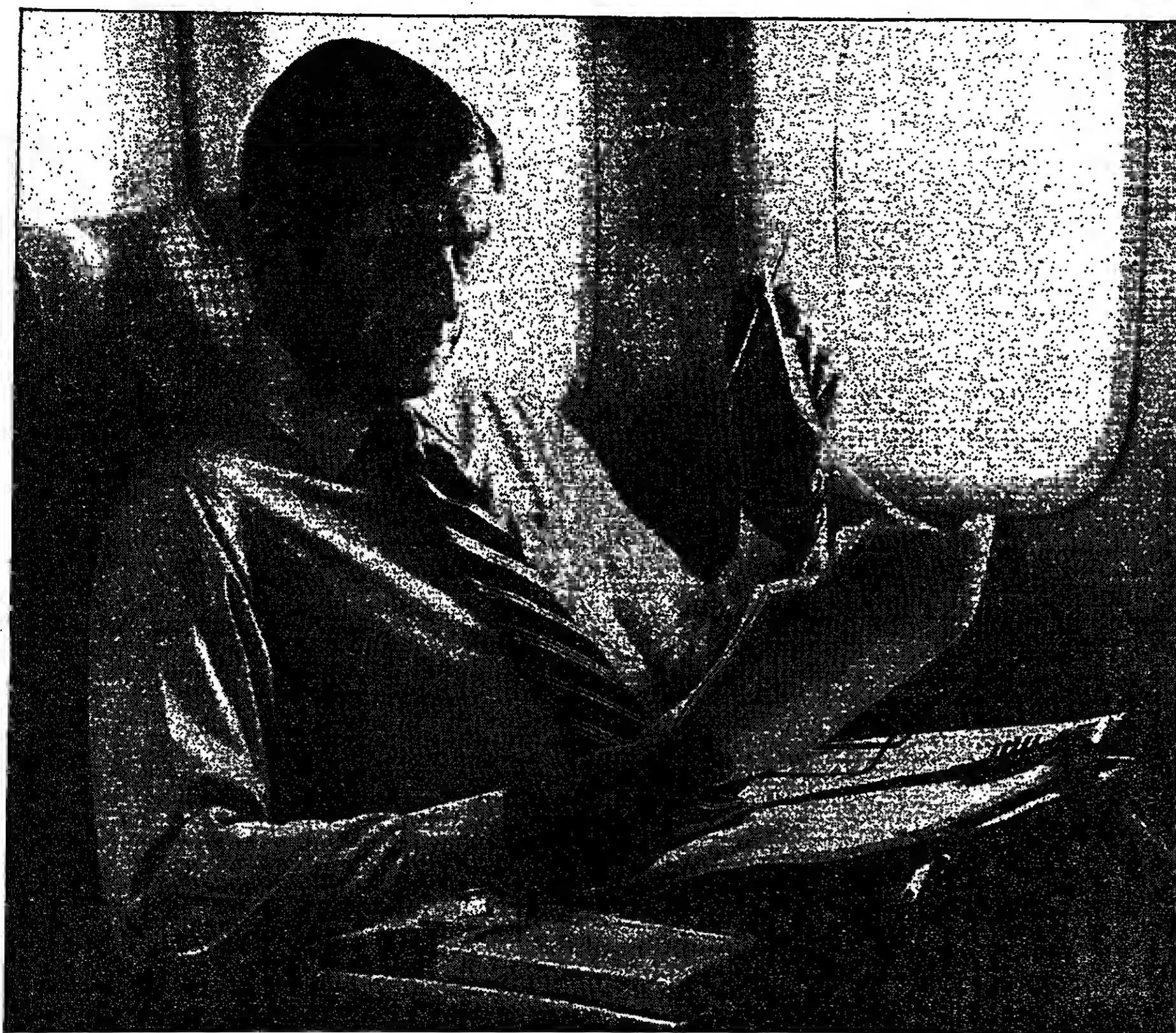
But before we get carried away there's one last thing you won't be able to choose - a car that gives you more for your money.

**SAAB**

More choices; the 900 GLs 3-door costs £7325; choosing another door and a boot will cost you £7425; plump for the 5-door and the price tag will read £7845. The Saab 900 range starts at £6895 and the 99 range at £5950. Prices correct at time of going to press and include Car Tax and VAT. Road Fund Licence, Delivery Charges and number plates are extra. Saab (GB) Limited, Saab House, Fildhouse Lane, Marlow, Buckinghamshire SL7 1LY. Tel: (0628) 641 6977. After sales Tel: (0604) 43643. Exports Tel: 01-408 0990.



# Pan Am's Clipper Class. Room to Think, Room to Work, a Civilised Alternative for the Business Traveller.



We've been understanding the business traveller for over 50 years.



When the first Pan Am flight took off back in 1927, our learning experience with business travellers began.

Naturally, we have learned a lot about them since then.

And we've put this knowledge to good use, making life easier for those who have to fly to work.

For we were the first airline to realise that businessmen needed special attention, so we invented a special class of service. This we call Clipper® Class.

And we feel it's a civilised alternative to flying Economy when you're flying on business.

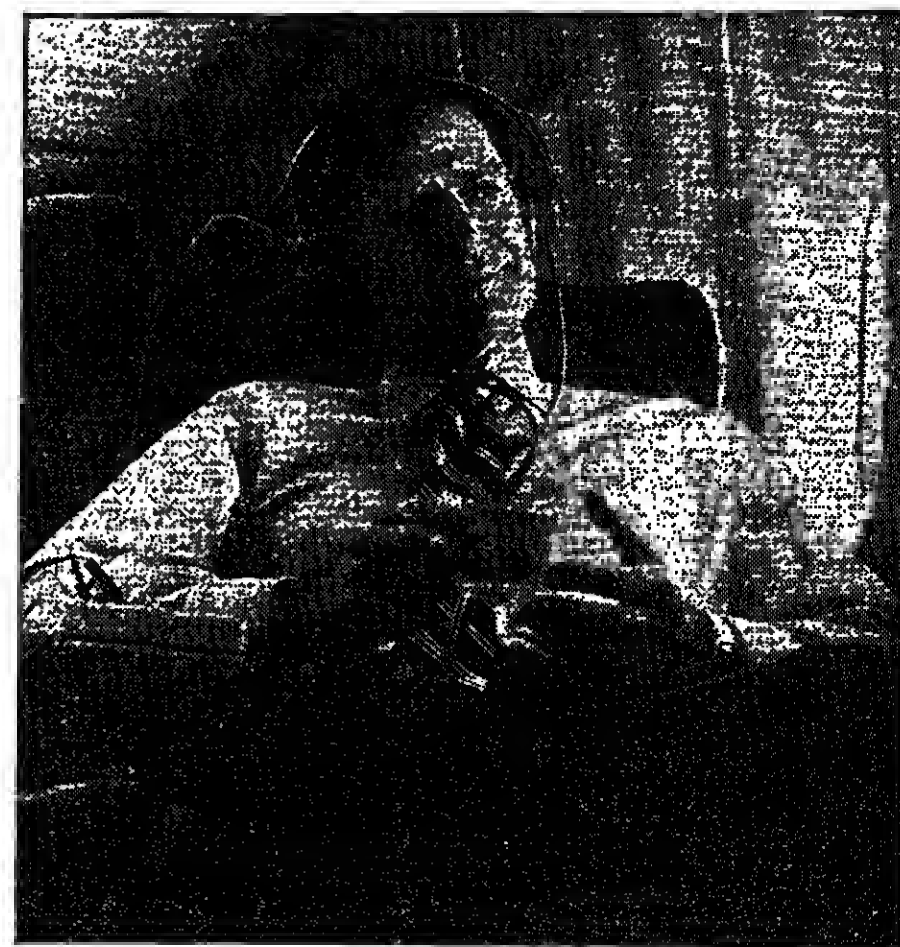
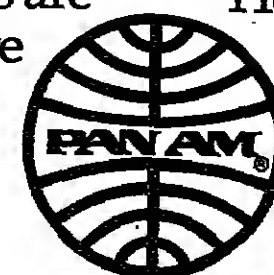
You can fly Pan Am to all these U.S. cities.

New York	Honolulu
Miami	Las Vegas
Los Angeles	New Orleans
San Francisco	Orlando
Seattle	Pittsburgh
Washington D.C.	San Diego
	Atlanta
Houston	Tampa
Dallas/Fort Worth	Kansas City
	Tulsa*
Detroit	Oklahoma City*

\*From June 1st

The first thing you'll notice about Clipper Class is that it is in an entirely separate section of the aircraft.

Then, as you settle back, you'll realise the seats are wider and more comfortable. And there are fewer of them.



When you treat someone special, he feels special.

Which means that wherever you sit, you're never more than one seat away from the aisle.

It's peaceful and quiet in Clipper Class, so you can hear yourself think. And, again, thanks to the extra room, there's also extra privacy.

So you can discuss business without having strangers mind your business.

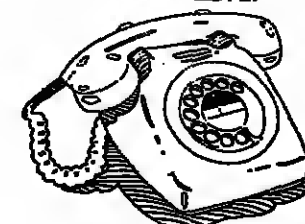
The cuisine, as well, is special in Clipper Class. It's prepared by the experienced master chefs in Pan Am's own kitchens. And then served on genuine china as opposed to genuine plastic.

Drinks on the plane are on the house.

And when you want to relax there's always the very latest movie or some music. Headsets are free.

You can experience Pan Am Clipper Class on all widebody 747 and L1011 flights around the world and within the US.

Contact your travel agent, or phone Pan Am.  
London 01-409 0688  
Birmingham 021-236 9561  
Manchester 061-832 7626  
Glasgow 041-248 5744  
Prestel 215747



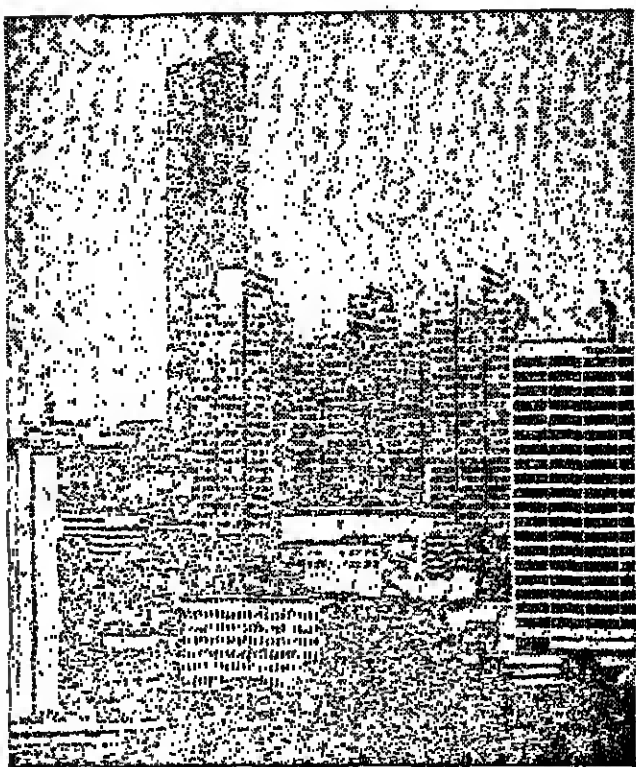
# Pan Am. You Can't Beat the Experience.™



Starting June 18

# DELTA ADDS MORE NON- STOPS TO ATLANTA

Only Delta offers you a choice of 11 nonstops weekly to America's most convenient gateway.



Delta makes it more convenient than ever to fly nonstop to Atlanta, your gateway to 80 other U.S. cities. Leave daily at 1215 and arrive in Atlanta at 1600. Or from June 18 until Sept. 5, 1982, you can take a Delta nonstop at 1010 any Tuesday, Friday, Saturday or Sunday. In all, 11 Delta nonstops a week—more than any other airline to Atlanta.

Fly in nonstop comfort on a Delta Wide-Ride TriStar to Atlanta. There's room to stretch out and relax. Double aisles to stroll. Superb dining and current-release movies, too. (Small charge for headsets in Economy Class.) That's superjet luxury all the way.

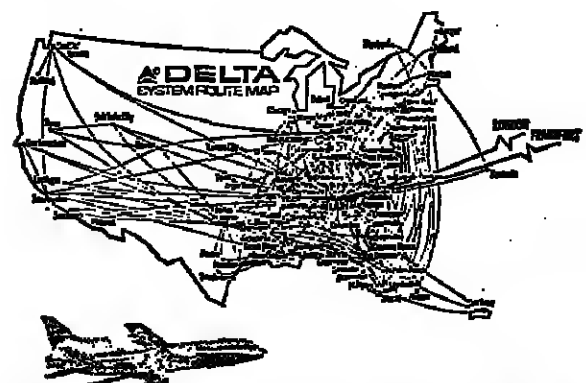
Save with Delta's discount fares to Atlanta. Our APEX Fare is just \$396 return from July 1 until September 14, 1982. Or fly for \$372 return until June 30. These fares have advance purchase, advance reservations, length of stay and other requirements. Also ask about Delta's special discount fares for travel in the U.S.A.

Delta's Medallion Service Class is our special business class for much less than First Class. In-flight entertainment. Superb cuisine. Fine wines and liquors. And much more.

For information and reservations, call your Travel Agent. Or call Delta in London on (01) 668-0935 or (01) 668-9135. Telex 87480. Or call Delta in Frankfurt on 0611 23 30 24. Telex 0416233. Delta Ticket Offices are at 140 Regent Street, London W1R 6AT and Friedenstrasse 7, 6000 Frankfurt/Main. Schedules subject to change without notice.

DELTA

Fly Delta to the 1982 World's Fair  
May-October 1982. Knoxville, Tennessee.  
Delta is the official airline of the 1982  
Knoxville World's Fair.



DELTA. THE AIRLINE RUN  
BY PROFESSIONALS.

## UK NEWS

# Earnings increases lowest for four years

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

HOPES that the inflation rate is now on a firm downward trend were encouraged yesterday by a further slowing down of earnings increases.

The Department of Employment reported that the average increase in earnings during the 12 months to March was 11 per cent, compared with 11.4 per cent in the 12 months to February. After allowing for backdated pay settlements, it is estimated that the underlying annual rate of increase is 10.7 per cent, the lowest for four years.

This reflects a continuing

moderation in pay settlements which the Confederation of British Industry says averaged 6.7 per cent in April compared with about 7 per cent in the first three months of the year.

Tomorrow the April figures for the retail price index are expected to show a further fall in the annual rate of price inflation, perhaps into single figures. Officials expect the rate will continue to fall, at least for the next few months.

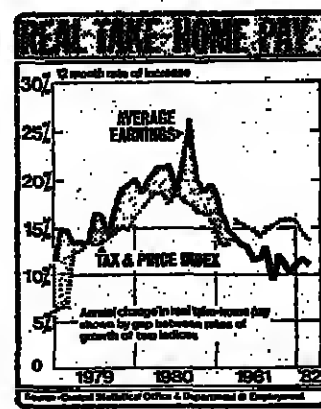
The average earnings figures have been boosted by an increase in the hours of overtime worked when economic

activity picked up during the late summer and early autumn. It is estimated that the increase in overtime and the reduction of short-time working has added about 1 per cent to earnings in the last year.

These moderate increases in wages, together with sharp improvements in manufacturing industry's productivity, have held the annual increase in wage costs per unit of production to an average of only 2.7 per cent for the three months to March. The latest figures show that the hours of overtime worked in March were 9.5m per week, an

increase of 1.8m hours compared with a year earlier. The loss of hours worked through short time working fell from 6.8m hours a week in March 1981 to only 2m hours a week in March this year.

The figures also show a continued slowing down of the annual rate of increase in basic pay. Basic weekly rates increased by 6 per cent in the 12 months to April, compared with an annual rate of 6.8 per cent in March and an annual rate of 9.3 per cent in September last year.



## Jessel aims to set up new JFB board

By Ian Rodger

THE former chairman of Johnson and Firth Brown is seeking the support of the special steel group's larger shareholders for the creation of a new supervisory board. Present management would be invited to remain in their managerial positions.

Mr Oliver Jessel, who last month criticised the JFB board for concentrating increasingly on the steel business, said in a letter that he would not be a candidate for such a board but would be prepared to organise a shareholders' meeting provided the larger ordinary shareholders met the cost.

He said he would not appear at such a meeting to discuss resolutions for such a board "as I would be an inflammatory influence."

Mr Jessel proposed that shareholders who supported his proposal write to him and send at least £5 plus an additional £5 for each 100,000 shares held.

Mr George Hardie, finance director of JFB, said the company had chosen to ignore Mr Jessel's first statement but if he proceeded with a circular to all shareholders, the board might have a responsibility to respond.

## Abbey offer to Trust

FOUNTAINS ABBEY in North Yorkshire, and the 680-acre Studley Royal Estate its stands in has been offered to the National Trust.

The offer came from North Yorkshire County Council. Under the deal the National Trust will take over the Council's loan debt of more than £191,000 and save ratepayers an estimated £80,000 a year. If it goes through, the Trust will take over ownership in 1983.

## Northampton cuts

Fifty workers are to lose their jobs at the Northampton engineering company, Bell and Webster. A further 25 workers are being made redundant at the nearby engineering company, Covallien of Rushden.

Mr George Blackwell, a full time official with the Engineering Union said "The general situation in the industry is causing grave concern. Many engineers with years of experience are now out of work."

Mail order company, BL Marketing, a subsidiary of cereal firm Weetabix, is to close its offices at Kettering. Northants at the end of July with the loss of 100 jobs. The recession has been blamed for the closure.

## Kolor closure

Stoke-on-Trent stationery company, Kolor Continuous, is to close with the loss of 170 jobs. Some 120 of the redundancies will be in the Potteries and at the company's sister factory at Preston, Lancashire. The company blamed the recession for the closure.

## Energy costs 'threaten ICI chlorine output'

BY NICK GARNETT, NORTHERN CORRESPONDENT

ICI MIGHT be forced to shut down some chlorine-making capacity because of electricity costs, unless energy pricing became more equitable with that for foreign competitors, Mr John Harvey-Jones, its chairman, said yesterday.

The company would do all it could, in terms of technology and productivity, to "hang in" as long as it could but at some point relatively high-cost power would prevent it being able to "support" some of its processes.

Unless a long-term solution were found there was certainly no case for more investment in its chlorine-production plants in north-west and north-east England.

Electricity consumes 60 per cent of operating costs for most of ICI's chlorine-making plants, though the disproportionate impact of energy-pricing for its UK operations is cut when chlorine is used as an additive in making other products.

While acknowledging the Government has assisted industry Mr Harvey-Jones said he did not share ministers' apparent view that electricity prices would rise sharply for ICI's foreign competitors.

The company could see nothing, in terms of technology or productivity, able to offset its electrical-cost disadvantage.

Speakin' at the opening of a £40m chloromethane plant at Runcorn, Cheshire, the largest

of its kind in the world, Mr Harvey-Jones said ICI's performance had to be based on raising sales, partly by emphasising product uniqueness, building world-scale plants and improving productivity.

He saw no relief in the trend of manpower cut. ICI, with a 74,000 workforce has shed about 17,000 jobs in the past two years.

The chairman saw no prospect of real general growth but the rate of manpower cuts was directly geared to ICI's success in developing markets. Mr Harvey-Jones said the Mond division with its headquarters at Runcorn had been doing this successfully.

The new Cheshire plant doubles ICI's chloromethane

capacity—producing. It is designed largely to expand European sales. Three-quarters of the 100,000-tonnes-a-year output of the main product, methylene chloride, a non-inflammable solvent used in paint-strippers, pharmaceuticals-making and other general solvents is for export.

ICI is developing new outlets for this product, including North America and Japan. Growth prospects are less buoyant now than when the plant was authorised three years ago but the company says there is still the prospect of 5 per cent a year growth.

Two other materials made by the plant are chloroform and methyle chloride.

## U.S. set to step up pressure for European gas plan

BY RAY DAFTER, ENERGY EDITOR

MR NIGEL LAWSON, Energy Secretary, is expected to come under renewed U.S. pressure to encourage the UK gas industry to co-operate more fully in an integrated European gas distribution system.

The issue will almost certainly be raised when Mr James Edwards, the U.S. Secretary for Energy, visits the UK next month. Both ministers are due to speak at the International Association of Energy Economists' annual conference in Cambridge between June 28 and 30.

Mr Edwards is expected to take the opportunity to raise with Mr Lawson the Reagan Administration's continuing concern about the projected growth in European imports of Soviet natural gas.

Mr Edwards wants to see North Sea producers—particularly the UK and Norway—playing a bigger part in supplying gas to the Continent.

The UK remains a net importer of gas and has no immediate plans for exports. But the Government has hinted that should large quantities of gas be found as a result of the expected resurgence in exploration, some exports might be considered. Significantly, the newly-announced eighth round of offshore licences is to include blocks in the southern gas-producing area of the North Sea.

The UK's position is understood to have been accepted by the Reagan Administration. Even so, Mr Edwards is likely to urge the UK to co-operate with Norway in the establishment of an integrated pipeline network—perhaps using the UK as a "land bridge" so that North Sea gas could be more readily transported to the Continent.

The U.S. has spoken out strongly about proposals to pipe large quantities of Siberian natural gas to several West European countries. There are two main reasons for President Reagan's concern. He feels that some countries, like West Germany and France, could become too dependent on Soviet supplies, thus impairing their energy security. He is also worried about the extra hard currency that will flow to the Soviet Union; money, he feels, which could be used for military expansion.

Hamilton said that both wells had been sealed and "suspended," a hint that they might later be used for production. It is unlikely that Hamilton and its neighbours, a consortium led by British Petroleum thought to share part of the Bruce Field reserves, can submit a development application to the Energy Department before well into next year.

The field already looks a potentially commercially prospect. The two groups have still to decide which company will be operator of the field and on ways of bringing the gas ashore. The Bruce Field was to have been a reservoir connected to the Government's abandoned £2.7bn gas-gathering system.

Partners in Block 9/8 are: Hamilton Brothers (14 per cent); Hamilton International (22.33 per cent); BP Petroleum Development (30.33 per cent); RTZ Oil and Gas (23.33 per cent); Blackfriars Oil (8.33 per cent); and Trans-European (1.67 per cent).

The same companies, and British National Oil Corporation, have interests in the adjoining Block 9/9.

## More gas discovered in North Sea's Bruce Field

BY OUR ENERGY EDITOR

AN OIL EXPLORATION consortium led by the U.S. Hamilton Brothers Group has found more natural gas in its promising Bruce Field in the North Sea.

Results of two newly-drilled wells have considerably enhanced prospects for a field development programme costing hundreds of millions of pounds.

But partners in the venture will carry out more seismic exploration and appraisal drilling before they commit themselves to development. The field, some 240 miles north-east of Aberdeen, could provide the UK with much-needed supplies of natural gas in the late 1980s and 1990s.

Hamilton Brothers said yesterday that one well, drilled on Block 9/8, yielded more than 20m cubic feet a day of natural gas and 2,300 barrels a day of very light oil, known as condensate. The condensate had a specific gravity of 52 degrees API (American Petroleum Institute).

The other well tested three separate sections of reservoir rocks. Gas flowed at rates of up to 26m cu ft a day, while condensate was produced at 4,500 barrels a day.

Hamilton said that both wells had been sealed and "suspended," a hint that they might later be used for production. It is unlikely that Hamilton and its neighbours, a consortium led by British Petroleum thought to share part of the Bruce Field reserves, can submit a development application to the Energy Department before well into next year.

The field already looks a potentially commercially prospect. The two groups have still to decide which company will be operator of the field and on ways of bringing the gas ashore. The Bruce Field was to have been a reservoir connected to the Government's abandoned £2.7bn gas-gathering system.

Partners in Block 9/8 are: Hamilton Brothers (14 per cent); Hamilton International (22.33 per cent); BP Petroleum Development (30.33 per cent); RTZ Oil and Gas (23.33 per cent); Blackfriars Oil (8.33 per cent); and Trans-European (1.67 per cent).

The same companies, and British National Oil Corporation, have interests in the adjoining Block 9/9.

## Agrochemical exports increased by 15% last year

BY SUE CAMERON, CHEMICALS CORRESPONDENT

UK EXPORTS of agrochemicals jumped by 15 per cent last year to £212.4m, according to figures released yesterday by the British Agrochemicals Association.

Britain now ranks third in the world league of agrochemical exporters after the U.S. and West Germany, says the association.

The statistics—based on data from the association's member companies—show that the total value of British agrochemical sales last year was £454.8m, 16 per cent higher than in 1980.

Sales in the UK accounted for £242.4m of the total, and were 17 per cent higher than in the previous year.

In the UK, sales of garden weedkillers and insecticides grew strongly during the year, increasing by 31 per cent and 23 per cent respectively. The biggest growth in the export sector was in fungicides, where sales went up by 23 per cent.

The increase in agrochemical sales is in contrast to figures for other sectors of the chemical industry—notably

petrochemicals—where demand is still depressed.

Yesterday the association stressed that the agrochemical industry had achieved very "credible growth" last year "despite the gloomy outlook following difficult economic conditions the previous year."

But the association claimed that, while sales had increased, profits had not done so—at least in real terms.

It said severe competition in the British agrochemical market had been intensified in the

second half of last year by the activities of parallel importers—companies which take advantage of price differentials between the UK and the Continent on identical products.

Last night, at the association's annual dinner in London, Dr Derek Cornthwaite, the new chairman, made a plea to the Government to extend agrochemical patents. He said the need to meet regulations on safety and efficacy could take five years, the patent life of an agrochemical.

## Police 'must not be caught out by mob violence'

BY LISA WOOD

THE POLICE must never again be caught unprepared for "mob violence" on the scale experienced in last summer's riots, Mr James Jardine, the retiring chairman of the Police Federation, said yesterday.

He also told the federation's conference at Scarborough that the issue of adequate police protective equipment to deal with riots should not depend on

the whim of a chief constable or the political view of a police authority.

"This must be a matter for central policy decisions and for uniform standards throughout the country," he said. He told Mr William Whitelaw, Home Secretary, and conference delegates that the cost of the equipment should not fall on local authorities.

Mr Jardine, who is retiring after six years as chairman of the federation, said that 1981 would go down as a dramatic year in police history. "Let it be understood, however, that the police must never be caught unprepared for mob violence on such a scale."

Expressing reservations on some recommendations made by Lord Scarman in his report on last year's riots, Mr Jardine

opposed racial discrimination becoming a specific offence under the police discipline code.

On Lord Scarman's recommendation to increase the number of black police recruits, he said the Police Federation would welcome wider recruitment from ethnic communities but, "we must never lower our entry standards simply to accommodate people we would not otherwise accept."

Mr Nelson Van Atta, vice-president of Van Atta Buick in Birmingham, said his company had sold eight De Lorean cars and "we're still got a couple in stock." It had last placed an order for De Loreans five months ago.

The irony is that, despite De Lorean's financial troubles, both dealers stressed that they thought the car could be a winner. According to Mike Colvin: "I drive one all the time—it's very well made and I love it."

## BR 'not considering passengers adequately'

By Hazel Duffy, Transport Correspondent

BRITISH RAIL passengers are not being considered or consulted adequately in BR's drive to meet its rigid financial targets, says the Central Transport Consultative Committee, the official consumer watchdog for rail passengers.

Mrs Alison Munro, chairman of the committee, says in the annual report published yesterday: "There are disturbing signs that management have precipitated into crude and hurriedly conceived reductions in the service before passengers' interest has been adequately considered or consulted. They include, for instance, early evening closure of stations, overcrowding on some lines and timetable adjustments which materially affect the established pattern of service to the greater inconvenience of some groups of passengers."

The committee, which coordinates the activities of 11 Transport Users Consultative Committees, sees its primary roles as "bridging the gap, which is most apparent in times of financial restraint, between the passengers and commercial interests of the railways."

Although anxious to see BR improve productivity, it has decided to concentrate its resources on quality of service. The committee sees the consumer's interest as being most at risk on those parts of the rail network which fulfil a social need, such as the commuter and provincial services, where BR is less exposed than in its Inter-City and freight operations.

The marked deterioration in quality of service on the London and South-East commuter lines comes in for particular criticism from the committee.

It says it was told by the British Railways Board that the board is under strong pressure from the Department of Transport to reduce peak period services to save money. The committee says more emphasis should be placed on stimulating demand rather than simply reducing supply.

In its submission to the Transport Secretary, the committee urges that he select the medium load factor option for these commuter services. It argues that under the higher load factor option outlined in the policy document the number of passengers being forced to stand for the duration of their journeys would "seriously worsen travelling conditions, particularly on outer suburban lines."

## Losses of shipowner assessed at \$77,400

By Raymond Hughes, Law Courts Correspondent

THE Greek owner of the 22,670-ton bulk carrier Anangel Group suffered losses totalling \$77,400 (£42,551) when a court injunction frustrated a potential charter of the vessel, a judge decided yesterday.

Anangel Glory Compania Naviera, part of the Piraeus-based Anangel Shipping Enterprise Group, will, however, have to await the outcome of further court proceedings before getting the money.

Judge Stabb, a High Court Official Referee, said yesterday that in May 1979, Anangel chartered the vessel to Trade and Marine, of Hamburg, to carry grain from Australia to Basrah.

Three weeks later Anangel withdrew the vessel for alleged non-payment of the daily hire and began negotiations for a charter to World Circle.

Before an agreement had been reached, Unimarine, a company apparently associated with Trade and Marine, obtained a High Court injunction restraining the withdrawal of the vessel from Trade and Marine.

The court subsequently cancelled the injunction, directed an inquiry into the damage suffered by Anangel as a result of it, and ordered Unimarine to pay the legal costs on the ground that it had not been proper party to take the matter to court.

After the cancellation, Anangel chartered the vessel to Furness Withy.

Judge Stabb concluded from an examination of a record of Anangel's negotiations with World Circle that only the imposition of the injunction had stopped a 50-day charter being agreed.

He assessed Anangel's loss by comparing what it would have received under the World Circle charter with what it actually received from Furness Withy during the 33 days that the two charter periods overlapped.

Payment of the damages will have to await the outcome of a pending Commercial Court action in which Trade and Marine will allege that Anangel wrongfully withdrew the vessel.

If that case is not brought before the court fairly soon, Anangel is likely to go to court itself and seek an order that Unimarine pay it the \$77,400.

## Hopes fade for De Lorean as deadline approaches

BY JOHN GRIFFITHS

THE receivers of the Belfast-based De Lorean sports car venture are expected to make a statement at the end of this week on prospects for the plant. They have said the plant can be kept operating only until the end of this month in the absence of a satisfactory financial rescue.

Sir Kenneth Cork and Mr Paul Shewell, the joint receivers, are declining to comment on Mr John De Lorean's efforts to conclude an agreement with New York property developer Mr Peter Kalikow under which Mr Kalikow would inject \$35m (£19.3m) into the De Lorean enterprise.

Sir Kenneth said on April 23 that rescue proposals put forward then by Mr De Lorean which involved Mr Kalikow as the main potential rescuer, pro-

vided the basis for an agreement. But four days have passed since the date by which an agreement was to have been concluded and there are signs the rescue package has run into trouble.

Mr De Lorean said when the proposals were put to Sir Kenneth that they involved a takeover of both the U.S. and Belfast companies—only the latter is in receivership—with the new owners assuming the \$23m mortgage for the plant. First lien on this is held by the Government, which invested £67m in the venture.

It now appears, however, that Mr Kalikow's main interest lies with the U.S. marketing end of the operation, which would leave the future of the UK operation unresolved.

A further difficulty is looming in regard to Bank of America,

which is understood to be seeking repayment next week of some \$5.3m outstanding from the U.S. De Lorean Motor Company for financing of stocks. The bank seized nearly 2,000 cars after the Belfast company went into receivership in February against a total of \$19m outstanding in stock finance, but was paid nearly \$14m last month by De Lorean after the sale of 1,200 cars to a liquidation company.

Although time appears to be fast running out, Mr De Lorean is still confident that a rescue deal can be worked out by the end of the month.

He may now be looking to further investors to help him rescue the Belfast plant. Yesterday, it was again suggested that Mr De Lorean hopes to

draw in as a potential investor an unnamed Southern Californian financial institution which he has referred to several times.

But the developments of the past few days have done little to offset mounting scepticism over a rescue being achieved. The 1,500 workers at the plant are expected to be summoned to a meeting with the receivers this week to be told of their employment prospects beyond the end of next week.

Meanwhile, sales of the \$25,000 gull-winged sports cars, despite the release of more cars after the partial settlement with Bank of America, have fallen.

Mr Mike Colvin, of Estate Motors at Golden Bridge, New York, said his company was now painting the cars and that they were being discounted to the \$20,000 level.

"We're still selling them and the interest is still there. But they are sticking." Sales have come down to "one or two" a month and were not helped by the company's financial problems, or the high interest rates and the depressed U.S. economy — "even our Mercedes sales have dropped off."

Mr Nelson Van Atta, vice-president of Van Atta Buick in Birmingham, said his company had sold eight De Lorean cars and "we're still got a couple in stock." It had last placed an order for De Loreans five months ago.

The irony is that, despite De Lorean's financial troubles, both dealers stressed that they thought the car could be a winner. According to Mike Colvin: "I drive one all the time—it's very well made and I love it."



## Crown Agents produces £2.28m gross surplus

By PAUL CHEESBRIGHT

THE Crown Agents, reorganised and rationalised since losing about £200m on property deals in the mid-1970s, last year had an operating surplus of £2.28m, compared with £2.05m in 1980, its first year of operation since incorporation by Act of Parliament.

After paying tax and an interest payment of £1.29m on the £30m provided by the Government as initial capital, however, the net surplus, before an extraordinary item, was £912,000, compared with £1.09m in 1980.

Last year the Agents repaid £8.77m to the Government, after the sale of a London property, and in March £2.25m more was returned. A commencing capital debt of £21m was left.

The Agents just managed to hold its head above the water, said Mr Sidney Eburne, its chairman, yesterday, but 1982 will be just as difficult.

It might be worse because the Agents is active in the developing world, providing services and procuring goods for public-sector bodies, in a reassertion of its traditional role.

Developing countries, however, are caught in the world recession at a time the British aid budget, much of which is administered by the Agents, is declining.

This forced the Agents to seek expansion of its services, mainly in areas where it is established already. More than 80 per cent of its income last year was drawn from Africa, South and

South-East Asia, the Pacific, Europe and the Mediterranean.

The Agents are looking at South America as a potential market but Mr Eburne said resources had to be husbanded. "We've got to concentrate on serving those principals we already have."

This broad strategy is being acted out against the background of continued effort to unscramble the losses made on property in the UK and Australia in the 1970s. The unscrambling was lived off to a separate set of accounts.

Australian property is being sold for about £180m. The sale should be completed by the end of next month, resulting in repayment to the Government of perhaps £5m. The Government provided £17m to prevent the Agents going bankrupt.

The tribunal of inquiry set up by the Home Office to look into the affair is expected to publish its report at the end of next week.

Those who drew the Agents into its losses have long since departed. The present management has engaged in a more active marketing policy in the traditional area of services, coupled with extensive rationalisation of the organisation in the face of the recession.

The Agents staff has fallen from just more than 2,000 to 1,460. Steps have been taken to consolidate the London operation. Of five properties once used one has been sold and two will soon be on the market.

Because there has been less demand for the Agents engineer-

ing services, established to build roads and so on, this sector is being reduced. If contracts are won, outside contractors will fulfil them ad hoc.

In the past year the Agents opened an office in Zimbabwe to provide a better service to all southern Africa to provide quicker, more flexible procurement for clients it is buying more goods overseas.

Such orders would not necessarily have come to the UK in the first place and often constitute now business for the Agents.

At the same time the Agents has won ministerial approval to act as prime contractor for multilateral aid agencies, partly to offset the reduced amount of work springing from the UK aid budget. In this role it has won small contracts in recent months in Ghana, Guyana, Jordan, Kenya and Mauritius.

Providing financial services has kept the 1981 figures relatively steady, because the lack of foreign exchange has delayed the flow of orders from places like Kenya and Nigeria. The Agents is negotiating to set up a company in Nigeria with Nigerian equity.

Last year the Agents handled funds worth about £3.4bn for overseas clients, 45 per cent more than in 1980, taking a margin on the transactions it was undertaking on their behalf.

This surge in money-management demand may not last. Crown Agents executives hope only that if the downturn comes it will be after a recovery in other parts of the business.

## 22.7% cut at DoE in staff

By William Cochrane

THERE was a reduction in staff of 22.7 per cent in the Department of the Environment, including the Property Services Agency, between 1979 and 1982, Mr Michael Heseltine, Environment Secretary, said yesterday. A further decrease of 6 per cent was forecast for 1982-83, he said.

Introducing the third round of his Management Information System for Ministers (MIMS) and the latest quarterly manpower figures for the department and related organisations, Mr Heseltine said the 1979-81 reductions—from 50,412 to 38,956—represented an annual salary saving of £87.6m at 1982-83 prices.

He said an "important qualification" was that department work previously undertaken by direct labour had been done in the private sector. He was unable to say what difference this would have made to savings in direct costs.

Mr Heseltine emphasised that the staff reductions had resulted mainly from natural wastage. In a parliamentary answer to Mr Tim Eggart, Conservative MP for Enfield North, he said there had been 823 redundancies in his department, including the Property Services Agency, between April 1, 1979 and April 1, 1982. "This is only 7.2 per cent of the total reductions achieved, and 1.6 per cent of the staff in post at April 1, 1979."

He said that MIMS, launched in spring 1980 following the recommendations of a Rayner Study, had enabled his organisation to be streamlined. MIMS was designed to enable the Secretary to review the work of the department and the PSA. Last year MIMS cost £180,000, said Mr Heseltine.

## Social scientists have a new supporter. David Fishlock reports Rothschild appeals for plain words

STOP bullying the Social Science Research Council, Lord Rothschild tells the Government in a report published today. It does a good job in almost every respect except self-promotion and if we didn't have it we would have to create it. To dismember the SSRC would be an act of intellectual vandalism, he says.

Politicians had made it plain that they despised the work of social scientists. Lord Rothschild spoke yesterday of the "philistine approach to all learning" displayed by the Public Accounts Committee.

To quote his report: "The need for independence from government departments is particularly important because so much social science research is the stuff of political debate. All such research might prove subversive of government policies because it attempts to submit such policies to empirical trial, with the risk that the judgement may prove to be adverse."

Lord Rothschild goes on to say that it would be "too much to expect ministers to show enthusiasm for research designed to show that their policies were misconceived. But it seems obvious that in many cases the public interest will be served by such research being undertaken."

Sir Keith Joseph, who, as secretary for education and science is responsible for the research council (see Table 1), asked Lord Rothschild to investigate the smallest, newest (1965) and most meanly endowed of the five.

The SSRC, whose chairman is Dr Michael Posner, the economist, has suffered a 24 per cent cut in its budget in real-money terms in the past five years. This year it will get a mere 5 per cent of the £46m expected to be spent by the research councils.

Unlike the other research councils, it has few facilities for research of its own and is mainly a funding agency for research done elsewhere.

Table 1: Estimated expenditure of the research councils in 1982-83

	£m	%
Science and Engineering Research Council	234.40	51
Medical Research Council	107.43	23
Natural Environment Research Council	57.54	12
Agricultural Research Council	43.62	9
Social Science Research Council	20.90	5
Total	463.89	100

Table 2: Social science research activities and proposed "ultimate customers"

Subject	Proposed ultimate customer
Accountancy	Professional bodies
Management	Businesses in their various groupings and associations
Education	Local education authorities and their associations
Social studies, sociology and psychology	DHSS, local authority social services departments; the NHS; voluntary bodies; the Social Security Advisory Committee
Planning	Local planning authorities and their associations; architects; developers; construction companies; voluntary bodies such as the Civic Trust
Computing	The software companies and associations
Economics	Treasury, banks, and City institutions

It was alleged that Sir Keith resented criticism of his own policies by social scientists. Whatever his reasons, he invited Lord Rothschild to say what areas of the SSRC's output should be funded by what he called the "ultimate customer" rather than the public purse, what areas could equally well be done by someone else, and what areas (if any) now covered elsewhere should be researched by the SSRC.

The last time government let Lord Rothschild loose on a research policy, a decade ago, his report, almost to the point of rudeness infuriated many researchers and research policymakers. Nevertheless, it provided a realistic basis for public funding of research.

The Rothschild "customer-contractor" principle for applied research—which means most research—states: "The customer says what he wants; the contractor does it (if he can); and the customer pays."

But Lord Rothschild acknowledges that a great deal of important research in the social sciences has not easily defined prospective customer. With the natural sciences the customer is the person who wants to find out whether, and if so how, something can be done. But the customer for applied social

sciences "includes all those who have a part to play in the decision-making process." Just how many and varied are the "ultimate customers" for SSRC research can be judged from Table 2. Lord Rothschild found them "generally in favour of the SSRC."

A well-developed and comparatively respected area of social science is the study of delinquency and crime. But we ought not to expect a general theory of causes and causal factors for use in policy-making. Lord Rothschild warns that it is an area where "commonsense belief" needs checking by empirical inquiry "because emotion can infect common sense."

Although such inquiries may not be sufficiently complex to warrant a research council grant, "the handling of social statistics, and the control of sources of error, does require backing by careful research academic style."

There are three reasons, he concludes, why the Government should continue to fund social science research through the SSRC. First, the less ambitious and better established disciplines—such as human geography, social psychology and social anthropology—generate results and methods of great interest to other disciplines.

Second, society needs an independent check on the credibility of entrenched commonsense beliefs—especially in such emotionally charged areas as race, crime, pornography and drugs—"which may not correspond with the facts."

Third, to abolish or greatly restrict the SSRC would throw a burden upon its customers "which they could not sustain."

Lord Rothschild concludes that the SSRC "should not be dismantled or liquidated" but should in fact be left alone to get on with its job, unhindered either by investigation or further cuts in its budget for at least three years.

Where he is most critical of the SSRC, however, is of its apparent inability to communicate to the man-in-the-street. He calls its efforts at plain speaking "primitive and unprofessional." It suffers from what he condemns as the "succulent bivalence syndrome"—that is, using a pretentious and unfamiliar term where there is a perfectly good one in common currency (in this case, the word oyster). He recommends that it invests £6.40 of a £20.9m budget this year in four copies of Gowers' Plain Words.

An inquiry into the Social Science Research Council by Lord Rothschild. Cmd 8554. SO. £5.50.

## Laser cure for kidney stones

By Elaine Williams

LASERS MIGHT soon be used widely to remove kidney stones following a breakthrough by specialists at the Institute of Urology, London University.

An institute team under Mr John Wickham, institute director, recently developed a method to remove small stones without the major surgery in common practice today. The laser will be used with this technique, to deal with larger stones.

The principle for the technique is simple. Hollow metal tubes are inserted in the kidney. A small instrument with a tiny basket or grab plucks out small stones of up to 2.5 cm diameter.

Mr Wickham hopes to use the laser to disintegrate larger stones and to remove fragments using the new technique.

Sir George Porter and his Royal Institution team are co-operating with Barr and Stroud, the Glasgow-based company.

About 10 per cent of people suffer from kidney stones, Mr Wickham said. They face a 65 per cent chance of developing a second stone after the first has been removed.

Patients treated conventionally face major surgery and several weeks' convalescence. Under the new method patients suffer little discomfort and are back at work in a few days.

Dr Wickham recently won a European Urology Society award for his work, conducted mainly at St Peter's Hospital, London.

## Aircraft costs 'will cut size of industry'

By MICHAEL DONNE, AEROSPACE CORRESPONDENT

RIISING COSTS of new large civil airliners mean that eventually there may be only two major manufacturers—Airbus Industrie in Western Europe and Boeing in the U.S.

Sir Austin Pearce, chairman of British Aerospace, forecast this when he delivered an address on the future of the aerospace industry to the Stock Exchange's Northern Unit Conference in Manchester yesterday.

"Boeing will probably team up with the Japanese which will make for a formidable combination, and then we will have a European consortium which will include the Italians, the Dutch and the Belgians."

"The fact that Airbus Industrie will then have seven partners, rather than four (including the UK) as at present, will make life more difficult for them, but can be offset by national influence in various parts of the world."

He said the fact that there were only two manufacturers could also mean they both made a profit because the market possibly could not sustain three manufacturers.

"It will probably also mean a smaller number of new models. Instead existing models will be modified and upgraded until they have very little resemblance to the original aircraft."

But, he added, this was one way of maximising the use of investments already made, thereby reducing the cost to the manufacturer, the airline and the passenger.

"One could argue that this could lead to monopoly, but I do not think it will," he said. "If we had two American com-

panies or two European companies it might, but I doubt if we will change people enough before the end of this decade to bridge the Atlantic gap."

Sir Austin said that in the military field he believed there would be at most two major new combat aircraft projects in Western Europe in the next 10 years.

He envisaged that one project would be based on the British Aerospace P-110 concept which is under development as a private venture.

"There will be considerable competition to produce the missile and avionics systems for this aircraft and the pressures on them will particularly be cost pressures," said Sir Austin.

He felt there would be increasing interest in vertical and short take-off and landing (VSTOL) "but I doubt if we will see supersonic VSTOL before the end of this century, and probably not then."

"A smaller aircraft, probably not too different from today's advanced trainer, will probably be developed to provide numbers, and yet something which is usable by the less sophisticated nations."

He also thought that in the medium-sized airliner market, of the size of the British Aerospace 146, there might be a demand for a limited number of models requiring high flexibility, low operating costs and low-skill maintenance, to which would be added low nuisance value from noise or pollution.

"This is an area into which the Japanese might want to enter by the end of the decade and we will need to beat them at this game."

## GLC looks at pension investments

By William Dawkins

THE Greater London Council's Labour majority is to reconsider some of the investments in its care—particularly council pension fund holdings in multinational companies with mining interests in the Third World.

The move has been sparked off by ratemakers' questions about wages and work conditions at Rossing Uranium in Namibia (South-West Africa), a mine in which Rio Tinto-Zinc has a 46.5 per cent share.

To explain its responsibilities to the £500m pension fund, which has £2.6m worth of shares in RTZ's £73.9m share capital, and to decide what action to take, the council will hold a public meeting on May 28. It may then send a representative to RTZ's annual general meeting on June 3.

Other companies may also come under the spotlight, but Mr John McDonnell, chairman of the council's finance committee, who proposed the public meeting, said it was too early to say which.

After the meeting, to which the South-West African People's Organisation has been invited, the council may ask RTZ to review its policy on such matters as the treatment of workers if the council fears conditions at Rossing jeopardise the security of its investment.

RTZ said conditions at the mine were at least as good—if not better—than anywhere else in Africa.

## Inquiry urged to reject Stansted airport plan

By OUR AEROSPACE CORRESPONDENT

REJECTION OF Stansted as the third major airport for London is urged by Sir Colin Buchanan, president of the Council for the Protection of Rural England and one of the country's foremost planning experts, in his evidence to the public planning inquiry into the Stansted plan.

Sir Colin, who will give verbal evidence to the inquiry next week, says in his documentary evidence that much better use could and should be made of available airport capacity outside the South-East of England, and especially in the Midlands—the "industrial heartland" of the country.

Pointing out that there are 32 commercial airports in Britain, Sir Colin says he finds it difficult to believe such a system could not be made to serve the total UK air traffic needs—"perhaps a good deal better than the system we now have, or the system which would obtain with the Stansted option which would be so heavily centred upon London."

Sir Colin says two-thirds of the population live outside the South-East, with some 25m in the industrial heartland.

"Not by far the largest concentration of airport space is in the South-East, and it is proposed with the help of Stansted to increase the proportion very substantially."

"I suggest we are heading for a crazy distribution of airport space." He suggests that the British Airports Authority should set its sights on the industrial heartland than on Stansted.

"It appears as a curious anomaly that the BAA should own three airports in the South-East and four in Scotland, with nothing in between."

"One is tempted to wonder to what extent the authority's desire to expand Stansted arises simply from the fact it owns it, and what the authority's attitude would be if it happened to own an airport in the middle of England."

Sir Colin urges the aviation authorities to thrash out a new policy and suggests they should consult more with the planning bodies from the start "and not leave it until there is a head-on collision."

"They must not land the country with any more of these huge agonising environmental imbroglios, for they strain the system beyond the limit."

"They should improve their understanding of the growing concern about environmental matters."

"They should have regard for the strenuous, though not nearly sufficient, efforts which have been made since the war to remedy the imbalance of prosperity between the North and South of the country and pay more attention to the role which the regional airports could play in meeting future demands for air travel."

Also, if at the end of the day, a policy of making better use of the existing airport system seems likely to fall short of meeting the full predicted demand, then this should be accepted without panic.

# Kenneth Durham, here are eight good reasons for buying a Super King Air.

**1. Efficiency**  
Being Chairman of Unilever, a multi-national company with considerable interests in Europe, efficient travel can dramatically increase your personal productivity and that of your senior executives.

**2. Mobility**  
You already know how a private aircraft can enable you to make much more efficient use of your time than you would by using conventional road, rail and air links.

You know that you can be in London in the morning, Holland in the afternoon and back in London for a meeting in the evening.

**3. Convenience**  
You already appreciate the benefits of not having to stand in airport queues, not being delayed by disputes, not having to adhere to airline timetables that are at odds with your own and being able to use smaller airports that are convenient to your place of business.

**4. Comfort**  
With the Beechcraft Super King Air B200 you will be able to use your travelling time productively, thanks to the comfortable conference style seating layout, fold out tables, really quiet cabin, conveniently positioned lighting and many other carefully planned details.

Normal seating is for 6-7 passengers, but up to 12 can be accommodated with supplementary seating.

**5. Flexibility**  
The Super King Air B200 can use the same small airfields as the smaller piston-engined aircraft which you currently use.

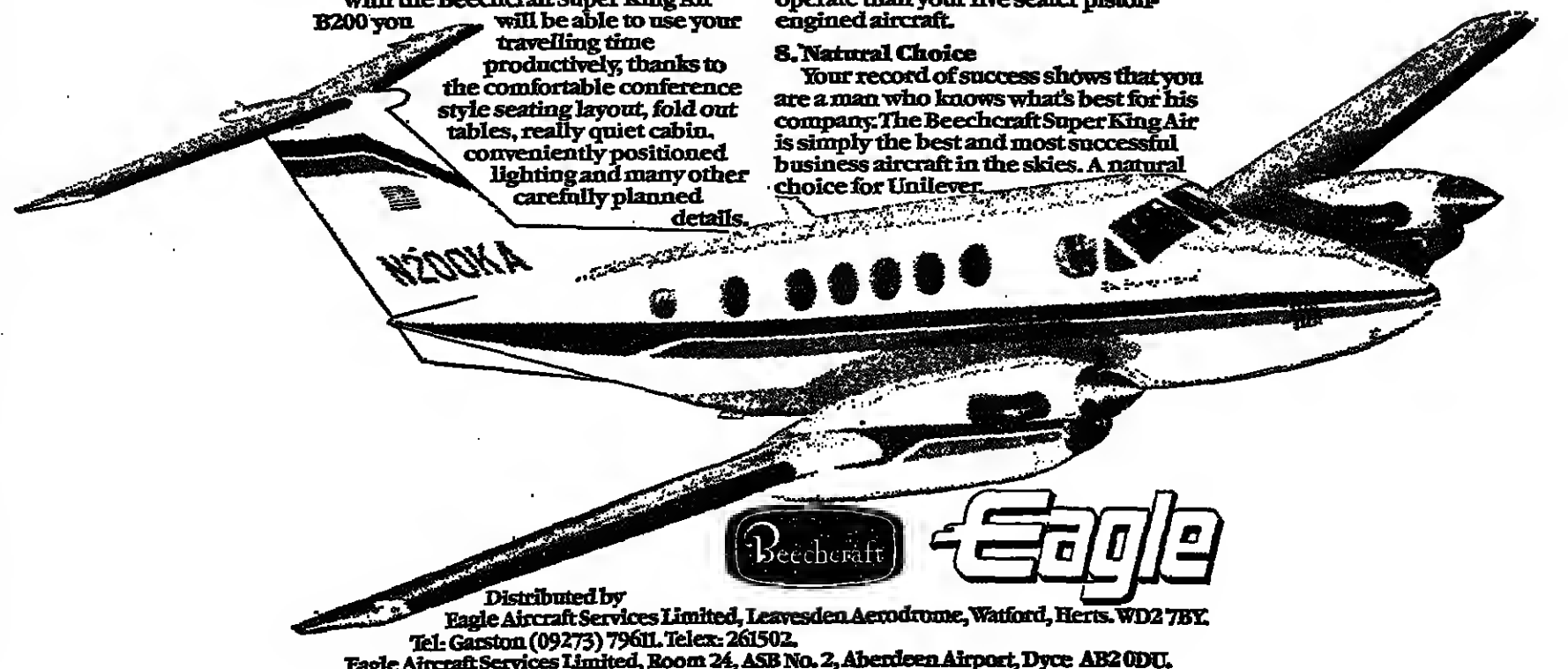
**6. Value**  
Although the Super King Air represents a significant capital outlay, in real terms it is a very good investment and perhaps the best value on the market. Residual values are high (in some cases the value even appreciates), obsolescence is virtually nil, the aircraft is 100% tax allowable in the first year and through Eagle low cost financing can easily be arranged.

**7. Economy**  
The running costs of the Super King Air are very reasonable, in fact the slightly smaller King Air C90 which normally seats 5/6 passengers and occasionally eight, will cost no more to operate than your five seater piston-engined aircraft.

**8. Natural Choice**  
Your record of success shows that you are a man who knows what's best for his company. The Beechcraft Super King Air is simply the best and most successful business aircraft in the skies. A natural choice for Unilever.



Kenneth Durham, Chairman, Unilever



Distributed by Eagle Aircraft Services Limited, Leavesden Aerodrome, Watford, Herts. WD2 7BY. Tel: Gasson (09273) 79611. Telex: 261502. Eagle Aircraft Services Limited, Room 24, ASB No. 2, Aberdeen Airport, Dyce AB2 0DU. Tel: (0224) 722331 Ext. 5700. Telex: 739928.



## UK NEWS = LABOUR

## Firemen give two-week strike deadline

BY PHILIP BASSETT, LABOUR CORRESPONDENT

THE GOVERNMENT is watching developments in the fire service after a decision yesterday by the Fire Brigades Union to take industrial action in two weeks time over an inter-union dispute.

Delegates at the annual conference of the FBU voted overwhelmingly in support of a 17-point plan of industrial

action proposed by the union's executive over a long running dispute with the non-TUC affiliated National Association of Fire Officers. Although the FBU claims to represent more than half of the 5,000 fire officers, it has a minority of seats on the employees side of the joint negotiating body.

If no progress is made within two weeks, the conference decided that industrial

action would begin from the day shift on Monday May 31. The main action will be restrictions on answering emergency calls.

The conference also gave the executive approval to call a series of national one-day strikes if any fire authority refused to pay FBU members taking part in the action.

While the Home Office was responding to the FBU vote

carefully, it acknowledged the department would be monitoring the position. There was particular caution over suggestions that the Government might re-examine plans to deploy Green Goddess emergency fire engines—in the event of a dispute.

An end to the dispute depends on the outcome of an employers' meeting on Tuesday. Specific proposals are

expected to be put forward for the employee composition of the now dissolved fire officers' representative body.

A special FBU executive meeting will be held the following day to consider the proposals.

There were signs that a resolution might be found if employers first determined the number of officers in the two unions.

## Executive rebuffed on call for new poll procedure

FIREMEN refused to consider yesterday proposed changes to the election procedures in the Fire Brigades Union. The union's executive had tabled amendments following a TUC inquiry into allegations of irregularities in a recent ballot, reports Philip Bassett.

The decision will leave at least partially unresolved what the TUC inquiry's unpublished report into the incident described as "an unfortunate chapter in the history of the union."

Delegates at the FBU conference, which opened in Bridlington yesterday, said the executive's confidential recommendations should not be considered by the conference as members had not had the opportunity to consider changes to union rules that the proposal would require.

The motion refusing to consider the proposal was carried on a card vote by 25,533 to 12,688. The executive's proposals will now be put to next year's conference following consultations with union branches.

The election last year of the FBU's assistant general secretary, under FBU rules, all national officials are elected for five years by a ballot conducted through the union's branches, with the union's chartered accountants acting as returning officers.

Mr Dick Foggie, the present assistant general secretary was standing for re-election, but for the first time an incumbent FBU official was challenged, when Mr Mike Fordham, a national officer, stood against him.

Mr Foggie was once thought likely to succeed as general secretary the late Mr Terry Parry, although Mr Ken Cameron, another national officer, eventually got the job.

In the election, Mr Foggie applied and had the election suspended "pending inquiry, investigation and possible proceedings" after making allegations about an electoral campaign which he said was designed improperly to influence the election against him.

A TUC inquiry was then set up, comprising Lord Wedderburn, Lord McCarthy and Mr George Doughty, former general

secretary of the draughtsmans' union. Following the recent submission of the inquiry's undisclosed report, the election is now being re-run. Both candidates are standing again and the result should be declared next month.

The inquiry has so far cost the FBU £14,846, according to the latest union figures on legal and other costs with further bills still to come in.

After eight meetings and examining 24 witnesses the inquiry committee in general rejected Mr Foggie's allegations. These included complaints that FBU officers and executive members had forcefully doubted his competence as an officer; they said employers no longer had confidence in him; they claimed he had failed properly to represent the FBU; and he was not interested in remaining an FBU official.

Mr Foggie also alleged that an executive member had offered someone a high office in the union in return for backing Mr Fordham. The inquiry thought this was unlikely.

In reply, Mr Fordham alleged meetings had been held to secure further branch nominations and support for Mr Foggie, which was against the rule, and that by calling for the inquiry Mr Foggie was deliberately seeking to subvert FBU election procedures.

The inquiry said that since the considerable impact on the union of the first-ever national firemen's strike in 1977, union members had started to examine the work of union officials much more closely. "This change has been one of the factors—perhaps a major one—leading to more contested elections within the union and more candidates standing in these elections than before," it added.

The inquiry recommended new election guidelines and the establishment of an election appeals committee. These recommendations formed the basis of the executive's rejected proposals yesterday.

But in addition, the inquiry recommended that the union's chartered accountants should take almost total control of all election procedures including the dispatch and receipt of

nominations and ballot papers. A system should be introduced to provide ballot papers in separate envelopes for individual union members. The executive did not take up these proposals.

The executive's confidential rejected proposals, due to have been considered in a closed session of the conference yesterday, said that:

● All election candidates should have an equal right to union services and resources.

● Full-time officials should give only "positive information" about candidates.

● Regional and branch committees should not make recommendations about individual candidates.

● No attacks should be made on absent candidates' integrity.

● No unofficial election literature should be circulated.

In addition, the executive proposed an electoral appeals committee, which could call witnesses to consider allegations into alleged electoral malpractices. Its findings would be binding on all members, subject to ratification by the FBU conference.

## Action plan to save packaging factory

By Our Labour Editor

THE Society of Graphical and Allied Trades, the biggest union in the print and publishing industry, has threatened widespread industrial action against the closure by the Unilever Corporation of its Austen Packaging plant in Merseyside.

The action, if taken, could extend throughout the contract printing and packaging industries and hit national and provincial newspapers.

A motion at the union's conference in Bournemouth yesterday said that the company aimed to transfer production of cartons and other packaging to its Continental plants, then to import the products back in to the UK, "at the expense of British workers."

However, a call for strike action has been delayed pending an attempt by Mr Bill Keys, the union's general secretary, to find a settlement with the company.

The deferred motion says that "Unilever is a multinational corporation of great size and power but we believe that we either submit or fight."

The union is taking a militant stance because it feels that unless a firm stand is taken against continued closures and transfer of production abroad, the packaging industry will be cut to a fraction of its present size.

The 450 workers at Austen Packaging have mounted a sit-in at the plant since last Friday.

## Print union leader to press for TUC pull-out from Neddy

BY JOHN LLOYD, LABOUR EDITOR

A MAJOR attack on the TUC's continued participation in the National Economic Development Council—the country's main tripartite forum (Neddy)—will be launched at the TUC Congress in September.

A motion from the Society of Graphical and Allied Trades (Sogat), the biggest print union to Congress, will call for an end to participation and for a general review of the union's attitude to tripartism.

Leaders of left-led unions believe that bitter hostility to the forthcoming employment legislation and the continued rise in unemployment will produce a majority at congress for withdrawal from Neddy—despite present opposition by centrist and right-led unions and by the TUC itself.

The move is a sign of the importance felt by a powerful group of unions including the Transport and General Workers' Union, the country's biggest—over what they see as the deliberate pace of campaign of opposition to the Government. It is an attempt to quicken its tempo beyond that already agreed by the TUC General Council, and by the special conference of union executives last month.

If successful, the decision to end participation in the NEDC would mean the first withdrawal by the TUC in the almost 20 years of the council's existence.

Mr Bill Keys, Sogat general secretary, is chairman of the TUC's powerful employment

policy and organisation committee which is co-ordinating opposition to the Employment Bill, introduced by Mr Norman Tebbit, Employment Secretary. A further motion passed by the Sogat delegates calls on the TUC to expel any union found collaborating with the employment legislation.

Mr Keys told his conference yesterday: "We should not be participating as a trade union movement with the NEDC or any of its associated bodies. How can we sit down with people in tripartite forum and talk with a government that has put 3m-4m on the streets?"

Mr Keys said that the union should "fight this through" at Congress, and that it should examine "the whole philosophy of tripartism" at the same time.

Mr Keys' championship of the campaign against tripartism has already caused heated discussions within the TUC and will anger union leaders who believe that the campaign should confine itself to the agreed issues of the NEDC and its sectoral committees and working parties are valuable to the unions.

In his speech, Mr Keys told delegates that they would be instructed under the discipline of the rule book not to obey the Jebbit Bill.

In particular, they should maintain all closed shops—a standard feature of the British industrial system—to prevent them. Members should not participate in the closed shop halts called for under the legislation.

## Drug group staff win 14.5% rise

By Our Labour Staff

THE ASSOCIATION of Scientific, Technical and Managerial Staff has won a pay rise averaging 14.5 per cent for 6,000 white-collar staff of the Wellcome pharmaceutical company.

An 11 per cent increase on basic, which goes to all 7,500 Wellcome employees, is supplemented for the white-collar staff by a 3 to 4 per cent merit increase, and a 3.6 per cent increase in pension entitlement.

Mr Roger Lyons, ASTMS national officer, estimated the total increase at 18 per cent, which he said would be treated as a pace-setter in the industry.

Summer flights threat MORE THAN 1,500 engineering and maintenance staff at Heathrow airport have voted to give shop stewards the power to call sudden stoppages at peak holiday weekends this summer.

The Amalgamated Union of Engineering Workers has put in a claim for a substantial pay increase, but British Airways has said that no pay offer can be made until September.

Saturday banking MR JACK BRITZ, general secretary of the Clearing Bank Union, will be writing to Barclays to complain that their decision to open 400 banks on Saturday breaks a national working arrangement from 1968, and also contravenes the national agreement on the 35-hour week.

The GBU, who represent over half of Barclays' 70,000 clerical staff will be raising the issue at the next Joint National Committee.

Sugar beet harvest UNION LEADERS have threatened to halt this year's sugar beet harvest at the British Sugar Corporation's 13 processing factories, unless the company improves its pay offer which the main union, the Transport and General Workers Union, estimates at 5 to 8 per cent.

A conference representing about 5,000 process workers, foremen and clerical grades at all 16 BSC factories rejected the offer. The company estimate the offer—taking into account last year's 33-hour week deal—to be worth 3 to 11 per cent.

Building pay package NEGOTIATORS for half a million construction workers yesterday accepted a 7.2 per cent pay and conditions package at a meeting of the National Joint Council for the Building Industry.

## Call for shop stewards aboard ships

By Brian Groom, Labour Staff

THE NATIONAL UNION of Seamen is to press employers to accept a system of shop stewards on ships with wide-ranging rights of negotiation and consultation.

The union's biennial delegate meeting at Tenby, Dyfed, agreed to set up ship board branches in a radical extension of its shore-based organisation.

The aim is to cure the 35,000-strong union's long-standing problems of apathy by members, 75 per cent of whom are at sea at any time.

Mr Jim Slater, general secretary, said it would strengthen members' ability to take collective action on issues which immediately concerned them.

The union will urge individual companies to sign variants of a model agreement on representation, covering day-to-day issues aboard ship and company-wide issues such as negotiations on terms and conditions of employment.

This could have considerable bearing on present moves to depart from the industry's national wage agreements. Proposals for separate pay talks have been made by UK ship owners, including BP, Furness Withy and Ocean Trading and Transport.

The companies wanted to be exempted from national strikes and other industrial action arising from disputes with other owners, and would pay wages above nationally-agreed levels.

The union is committed in principle to separate talks, but is worried that the "no strike" clause could take away its national strength. However, it reached a deal with Esso earlier this year which included the pledge on industrial action.

Strengthened in-company representation might be seen as a necessary safeguard from dangers of company-by-company bargaining.

Seamen in a number of companies, particularly in the ferry ports, already have representation and bargaining arrangements.

The NUS fears that moves by some employers, particularly in the deep-sea sector, for consultative procedures on their own terms will result in "sweetheart unions."

NUS affairs have traditionally been dominated by ferry and "short-sea" members, but the proposed representative arrangements would give new strength in the two-thirds who work in deep-sea ships.

"The best and obvious place our members could influence the behaviour of employers is on board the ship," Mr Slater said.

## The Overworld.

Your best customers are up in the air—watching a powerful new medium.

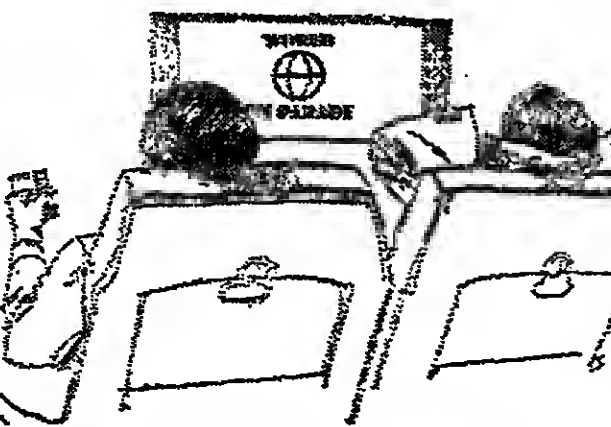
Jet air travel has created a new market at 35,000 feet. We call it The Overworld. Close to 70 percent of this Overworld travel is business-oriented. New demographic research shows that these business travellers are the most sophisticated, upscale consumers in the entire marketplace—as purchasers, not only of upmarket consumer products, but professional buyers with multi-million dollar budgets in the thick of corporate and governmental decision-making.

In media terms, they have been difficult to reach and to influence—until now.

## A business forum on film

We have developed a new and appropriate technique for reaching this Overworld audience with measured effectiveness—on film and in its own language.

The method does not employ the format of the conventional 30-second TV commercial. Instead, it uses elements of news and entertainment, intelligently presented, to tell a sponsor's story in



lengths up to 10 minutes.

We think of it as a business forum on film in which corporations—their achievements, technologies—are featured and discussed.

## WORLD ON PARADE

The name of this forum is WORLD ON PARADE. The majority of international and domestic U.S. wide-bodied carriers are screening it every day, on every film-showing flight.

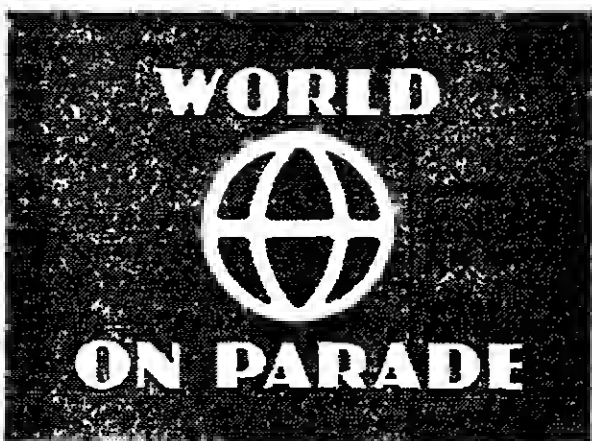
Against the superior demographics of this audience, the cost-per-thousand is not only competitive with ground-based media, but often more effective.

3,000,000 viewers per month

Each month, over 3,000,000 airline passengers find WORLD ON PARADE interesting, informative and convincing. Tracking studies show that they are highly positive about its inclusion as part of the in-flight package.

More importantly, viewers have the kind of high recall of sponsors and program content that only comes from telling the right story to the right audience in the right way. Such recall is enhanced because each product or service is featured exclusively in its category, an advantage offered sponsors on a first-come basis by WORLD ON PARADE.

For details on how to become a WORLD ON PARADE sponsor, contact any of our offices. We will come flying!



The Overworld business forum—on film.

Trans Global Films, Inc.

NEW YORK: 645 Madison Avenue, New York, New York 10022 (212) 308-4430

TORONTO: 4 New Street, Toronto, Ontario M5R 1P6 (416) 961-3000

LONDON: 153-155 Regent Street, London W1R 7PD 01-434-2639

HONG KONG: 802 Far East Exchange Building, 8 Wyndham Street, Hong Kong 05-266843

TOKYO: Sanno Grand Building, 2-14-2, Nagata-cho, Chiyoda-ku, Tokyo 100 Japan 03-553-1441

ALLEGHENY INTERNATIONAL

## Aslef backs health unions

BY OUR LABOUR STAFF

A PLEDGE of solid support for health workers, taking industrial action to back their 12 per cent pay claim came yesterday from the annual conference of the Associated Society of Locomotive Engineers and Firemen. Mr Ray Buckton, general secretary, praised the dedication of health service workers and said they were quite justified in taking action to defend their inadequate standards of living. The conference agreed unanimously to give £500 to the health

unions involved. Most of the 16,000 university technicians will start a campaign of industrial action unless a "final" pay offer of 4 per cent, and a nil offer for trainees, is improved. The Association of Scientific, Technical and Managerial Staffs, which represents 80 per cent of technicians some of whom work on scientific and medical research, says a series of stoppages of a minimum of three hours a week will begin next week.



## Tebbit Bill wins Third Reading by 95 votes

By Ivor Owen

SOCIAL DEMOCRATIC Party leaders were ridiculed by Mr Norman Tebbit, the Employment Secretary, in the Commons last night when he refused to vote for the Third Reading of the Employment Bill.

He said their solution to the problem of avoiding a repetition of the party's three-way split on the Second Reading — some voted for the Bill, others against and some abstained — had been a "positive and courageous decision to abstain."

To Government cheers Mr Tebbit claimed: "The party that started off to get the 'don't know' to join them has joined the 'don't know'."

The Bill, which curbs the legal immunities of trade unions and introduces safeguards for workers who lose their jobs through the closed shop, was given a Third Reading by 95 votes (319-224).

The Bill, which received 106 majority on the Second Reading, now goes to the House of Lords.

Mr Tebbit brushed aside pledges from the Opposition front bench that the next Labour Government would repeal the Bill.

He argued that there was more likelihood of the next parliament containing a majority for further measures of trade union reform — perhaps for example to democratise the trade unions.

He described many procedures now used for the election of senior trade union officers as highly unsatisfactory.

Time and time again, he said, there were challenges in the courts alleging ballot rigging and other malpractices.

Mr Tebbit said there had also been instances where trade union officials had been elected for life on the basis of unrepresentative ballots.

He urged that the trade unions would reform their own procedures, but added that he hoped they would not try the patience of the public too far because there would then be "irresistible pressure for legislation."

Mr Harold Walker, who made the final speech from the Opposition front bench, reaffirmed Labour's pledge to repeal the Bill and all other anti-trade union measures which reached the Statute Book during the lifetime of the present parliament.

He warned that some people might decide not to obey the new law.

## Pension funds bar sought by underwriter

By Our City Correspondent

PENSION FUNDS should not be allowed to acquire Lloyd's of London underwriting agencies if the agencies are forced to sever shareholding links with Lloyd's insurance brokers, a Lloyd's underwriting agent yesterday told the Lords select committee reviewing the Lloyd's Bill.

Mr Robert Hixson, the chairman of Roberts & Hixson, an underwriting agent, which is petitioning to remove from the Bill a clause requiring brokers to dispose of shareholding links with underwriting agency companies, said potential purchasers regarded the agencies as a licence to print money. He warned that agents could make losses as well as profits.

## Whisky import rules reprieved

By Ivor Owen

IN A MOVE which will allay anxieties expressed by the Scotch Whisky Association, the Government is to defer phasing out restrictions on importing spirits which are less than three years old.

Mr Jack Bruce-Gardyne, Economic Secretary in the Treasury, yesterday gave an undertaking to the Commons standing committee considering the Finance Bill that a provision designed to end the restrictions on delivery of immature spirits for consumption in the UK by March 1, 1985, will be changed.

The effect of amendments to be introduced at the Report Stage of the Bill will be to defer indefinitely the abolition of the restriction.

Under UK law whisky must be matured for at least three years.

## Diplock security report 'reassuring'

FINANCIAL TIMES REPORTER

SECURITY PROCEDURES in the public service are to be tightened in accordance with recommendations made after a 12-month probe, the Prime Minister announced yesterday.

Mrs Thatcher told the Commons in a written answer that recommendations made by the Security Commission headed by Lord Diplock would be implemented as soon as possible.

But the Commission's report, which will be published today in an abbreviated form, is "generally reassuring," Mrs Thatcher told MPs.

## Britain to seek permanent legal Community veto

By JOHN HUNT, PARLIAMENTARY CORRESPONDENT

BRITAIN WILL try to have the right to veto on matters of national interest permanently and legally enshrined in EEC procedures, Mr Peter Walker, Minister of Agriculture, indicated in the Commons yesterday.

He told MPs that Mr Francis Pym, the Foreign Secretary, will press for this at a meeting of the Council of Ministers next week.

Mr Walker was making a statement to the House on the dispute over Community agricultural increases which were voted by EEC ministers on Tuesday, against the wishes of the UK.

The voting effectively ended the "Luxembourg compromise" which gave a member country an unofficial right to veto proposals which it considered to be against its national interest.

Despite protests from some MPs yesterday Mr Walker insisted that the 10.7 per cent increase had to come into effect today although Britain had reservations on certain points in the agreement.

He refused to give an undertaking to anti-marketeer Mr Douglas Jay (Lab, Battersea North) that Britain would withhold its budgetary payments until the EEC "breach of faith" over the voting procedure was reversed.

Mr Walker said that although the European Commission was delighted by the breach of the Luxembourg compromise the result would be that something "more permanently enshrined and legally binding" would have to be inserted into Community practice.

He told Mr Norman Buchan, Labour's agriculture spokesman that the power of veto in the national interest must continue in such a way that "nobody at any time can break that particular agreement."

He said the present "major crisis" had created a situation where this might well happen. It was a matter which Mr Pym would be taking up urgently at the Council of Ministers meeting next week.

It was no secret, said Mr Walker, that the Commission had always been opposed to the Luxembourg compromise and had favoured majority voting.

He accused the Commission of having done everything possible to encourage those countries using the majority vote to get the farm price increase accepted.

Mr Walker said the effect of the farm price increase was to add a quarter of 1 per cent to the retail price index in the UK in a year and 1½ per cent to the food price index. The benefits to the consumers of the sheep meat regime and the butter subsidy would be worth some hundreds of millions of pounds depending on the market situation.

The settlement was likely to mean an extra cost of £900m in a full year on the European budget, while the additional annual cost to Britain was about £120m.

This, he said, emphasised the importance of agreement on the adjustment of Britain's contributions.

From the Labour backbenches there were demands that Britain should now quit the market. From the Opposition front bench Mr Buchan said the conditions under which Britain entered the EEC had been broken, and "the whole issue of our continuing relations in this form will be at issue."

Mr Walker rejected demands for withdrawal but said there was now a strong duty on the Community to agree quickly to the budgetary changes Britain was seeking.

Considerable concern was expressed on both sides of the House that having overridden Britain on agriculture prices the EEC would now do the same over the introduction of the Common Fishery Policy.

Mr Teddy Taylor (Con, Southend East) asked for an undertaking that under no circumstances would Mr Walker accept a majority Community vote on this subject.

Mr Walker replied: "Yes, I confirm that and make it absolutely clear now."

There were shouts from the Labour back benches when Mr Roy Jenkins (SDP, Hillhead) former president of the European Commission, said the Luxembourg compromise must apply to everybody or nobody. There could be no question that the compromise could remain intact after what had happened on Tuesday.

## Williams says blame for crisis 'evenly shared'

By Ivor Owen

RESPONSIBILITY for the EEC farm prices crisis must be "evenly shared," Mrs Shirley Williams, MP for Crosby and a member of the Social Democratic Party's collective leadership, insisted yesterday.

The "abrasive leadership" of the Prime Minister was one of the factors which had to be taken into account, she said.

Mrs Williams told a parliamentary Press gallery luncheon: "Abrasive leadership is all very well in its turn, but I have to say that today's crisis has led us to a position where we are becoming increasingly isolated from our friends and allies and that in a world where we desperately need them both."

She agreed that the governments of France and West Germany had not been right to support the moves which prevented Britain vetoing the farm price agreement.

## Heseltine still undecided over penalising councils

By Lisa Wood

MR Michael Heseltine, Secretary of State for the Environment, said yesterday that he was still considering whether to penalise local authorities across the board for overshooting government spending targets for 1982-83. Between them the councils are set to exceed the targets by £1.4bn.

He gave no indication to local authority representatives at the Local Government Finance Consultative Council when a decision would be made. The £1.4bn is 7.5 per cent over Government targets.

Mr Heseltine said overspending councils would lose some £315m in rate support grant for 1982-83 and £200m for overspending in 1981-82 under the existing scheme for grant abatement announced last December.

"I am also considering whether to make a further reduction in grant across the board. I shall announce my decision on this shortly," he said. Any reduction in grant "across the board" would hit all councils equally, not just the overspenders.

Although Mr Heseltine did not specifically ask for local authority budgets to be revised he hoped they would review spending plans during the year in the light of the proposed holdback of grant "in order to minimise their grant loss and to protect their ratepayers from further substantial rate rises next year."

Mr Jack Smart, chairman of the Association of Metropolitan Authorities said: "We deplore the uncertainty of the Secretary of State not making a decision today."

He said there was already the £15m holdback of grant to offset against the £1.4m overspend, while the Government was by its system of dual targets allowing—without penalties—over £530m spending above volume targets.

Mr Ian McCallum, chairman of the Association of District Councils said: "The 296 districts councils are 3.6 per cent over government targets. I do not want aggregate holdback. I am not, however, proposing an alternative."

## Labour calls for halt to EEC budget contributions

By ELINOR GOODMAN, POLITICAL CORRESPONDENT

LABOUR'S national executive committee passed an emergency resolution yesterday urging the Government to halt all payments to the EEC budget and to consider a policy of non-cooperation in all EEC institutions as a response to the European farm ministers' decision on Tuesday to ignore the British veto and force through price increases.

But—in a sign of continuing tension within the party over the EEC—Mr Denis Healey, Labour's shadow Foreign Secretary, refused to support part of the resolution. He voted against an amendment to the motion successfully moved by Mr Tony Benn maintaining that events in Brussels had confirmed the wisdom of Labour's policy of withdrawal from the EEC.

Later in the meeting Mr Benn had another success when he inserted into Labour's industrial strategy a commitment to give the Bank of England radical new powers to take over other financial institutions and act as the equivalent of the National Enterprise Board in the financial sector.

The main purpose of yesterday's meeting was for the executive to work its way through Labour's programme for 1982 which is to be put in conference this year and will then form the basis of the party's election manifesto.

Yesterday, in a five-hour meeting which left some right-wingers complaining that they had been steamrollered, the executive approved the first five chapters including the key sections on the EEC and the economy.

The chapter on the EEC which has already been discussed at length by the relevant sub-committee sets out a detailed plan for taking Britain out of the Community by stages. They would begin with the introduction of the repeal Bill which would amend the 1972 Communities Act and end with Britain withdrawing from all EEC institutions after an unspecified transitional period. The document makes no provision for a referendum—the one get-out clause which might make it acceptable to pro-marketisers within the party. Pro-marketisers yesterday failed in a bid to insert one at the last moment.

The party is already committed to pulling out of Europe by conference votes. The row over the veto is likely to strengthen anti-market feeling within the party and make it even more difficult for pro-marketisers to water down the commitment to withdrawal when the election manifesto is eventually drawn up.

For the most part, the executive stuck to the draft version of the programme before it. But in the section dealing with finance for industry, Mr Benn toughened up the proposal for acquiring a public stake in the banking sector. He successfully moved a clause which would make the Bank of England the vehicle for nationalisation in the City.

This would operate alongside a "national bank" and a "national investment bank."

The committee also approved the formula for rationalisation, which had caused many problems within the party over the last few months. Under normal circumstances, it says, Labour would establish terms of compensation which would reflect the true value of the assets to be taken into public ownership. But in the case of "denationalised assets," it says shareholders should be repaid — collectively — precisely the amounts which were paid for the assets at the time they were denationalised.

The document then goes on to set out a number of variations to this approach, such as linking the denationalisation price of the asset either to the FT index or "more generously" to the retail price index. It also raises the possibility of allocating the available funds "in accordance with certain priorities."

The executive also dealt with the controversial question of income policy. It approved the idea of a "national economic assessment" which has been discussed already at length between the TUC and the Labour Party. At the last meeting of the home policy committee, references to the need for this assessment to cover wages were deleted. But at yesterday's meeting of the full executive, the passages were restored.

The final version, therefore, talks in terms of a national economic assessment having to "embrace such issues as the share of the national income going to profits, to earnings from employment, to rents, to social benefits and to other incomes."

It would also, the document says, have to take a view on the movement in prices and costs including wages which would "support and sustain expansion compatible with the party's economic and social objectives."

## Opponents of Prior Bill welcome delay of debate

By MARGARET VAN HATTEM, POLITICAL STAFF

OPPOSITIONERS of Mr James Prior's Northern Ireland devolution Bill have been greatly heartened by the Government's decision to cancel today's debate on its Committee Stage to allow for an emergency debate on the Falklands.

Several Tory back benches are now openly claiming the tacit support of both the Prime Minister and Mr John Biffen, the Leader of the House, for wrecking tactics aimed at ensuring that the Bill is talked out.

Mr Prior is expected to press hard at a Cabinet meeting later today that the Bill's timetable should not be further disrupted and that an extra day be allotted, if possible next week, to make up for time lost today.

Whether he succeeds will be clear from the statement out-ling next week's business which Mr Biffen will make to the Commons this afternoon.

However, some of the Tory back benches, including MPs closely associated with Mr Biffen and Mrs Thatcher, appear confident of further co-operation in disrupting the Bill's timetable. It was suggested yesterday that the debate on the EEC farm prices and budget prices, for which Labour is pressing, might also be held on a day which would otherwise have been allocated to the devolution Bill.

The tactics employed by these back benches are similar to those used by Mr Ian Gow, Mrs Thatcher's parliamentary private secretary and a staunch Unionist supporter, earlier this year. Mr Gow's active lobbying against the Bill was widely accepted among Tory back benches as carrying the Prime Minister's tacit approval until, after protests from Mr Prior, Mr Gow was instructed to desist.

So far, other back benches claiming to be lobbying on behalf of the Prime Minister and Mr Biffen appear to have received no such instructions.

The position of Mr Prior and his team of ministers steering the Bill through parliament has not been helped by the deterioration in relations between the British and Irish governments.

This deterioration seems to be concentrated at the top, where the two Prime Ministers are letting it be known that they see little point in a bilateral summit meeting for some time. But signs of alienation between the two leaders and their respective Foreign Ministers appear to be further tangling the lines of communication.

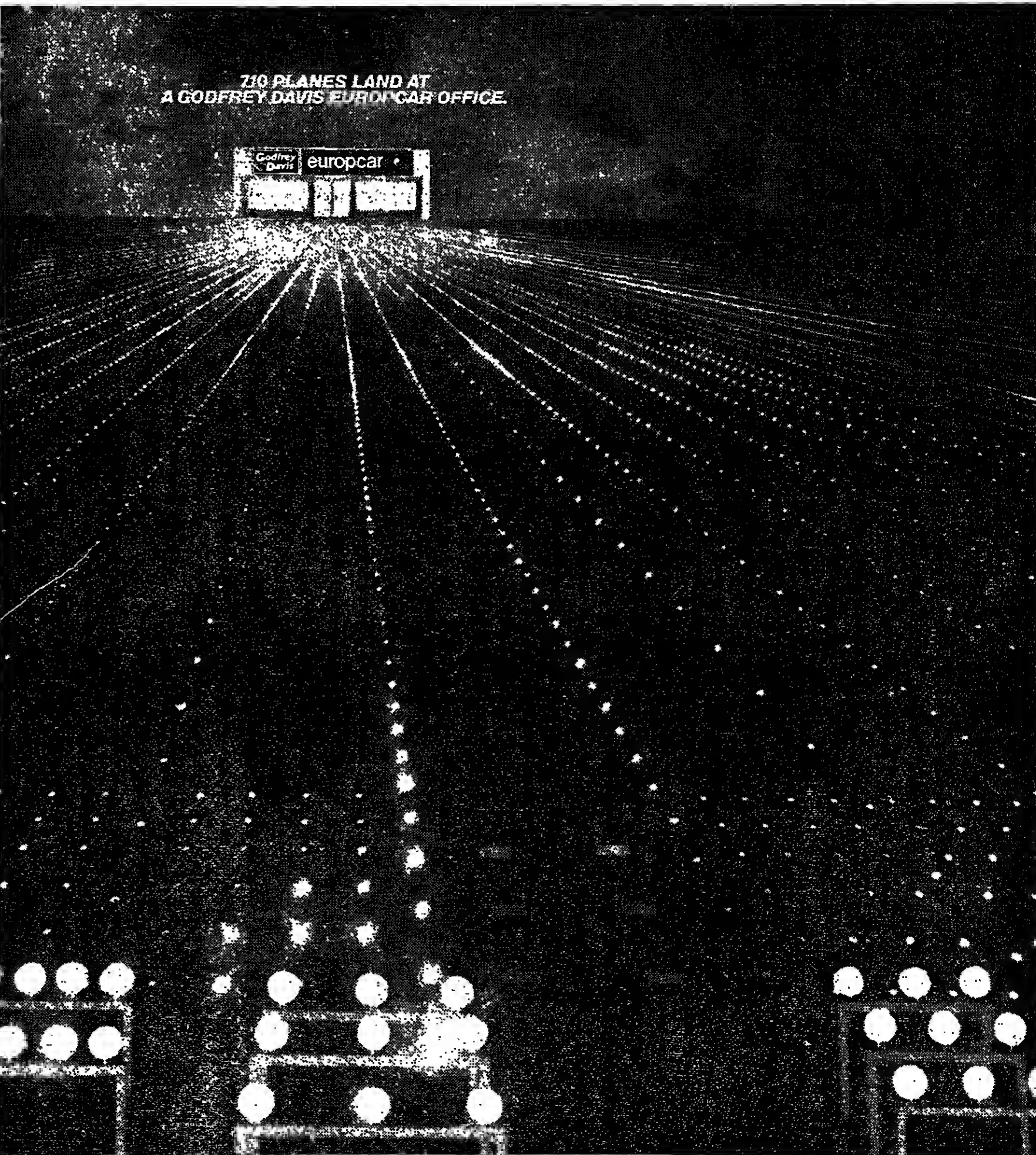
The Irish government's early opposition to a renewal of EEC sanctions against Argentina, together with its role in pushing through this week's farm price settlements, has also alienated further those Tories with doubts about the Anglo-Irish aspects of the Bill and White Paper. This could greatly hinder any attempts by the Government to meet or even compromise on Labour's demands for further Anglo-Irish elements.

At this stage, the Bill cannot

be considered to be under serious threat. Despite the demands on time threatened by the Falklands crisis and the possibility of a major EEC crisis, the Government's legislative programme for the rest of the session appears relatively light.

However, Government decisions on the allocation of time over the next few weeks will be read as a signal of Mrs Thatcher's and Mr Biffen's real intentions.

In the meantime, the Bill's opponents in the Tory party and the various Unionist parties are doing their best to ensure an all-out filibuster. Together with Labour, they have tabled already 118 amendments to the Bill, some of them exceedingly long and complicated.



Godfrey Davis Europcar have offices at 18 UK airports. This means that every day, over 700 planes connect with a self-drive car. But airports aren't the only places you'll find us. There are over 260 Godfrey Davis Europcar offices in Britain, including 72 at Inter-City

stations. What's more, only Godfrey Davis Europcar offers Super Service. It's simply the best rental service whenever you need a car. A car to meet a plane or train; as a replacement car when your own is off the road; when you need a bigger car for a special trip; or even a chauffeur-

driven limousine. And with over 2500 offices (including over 500 at airports) in 101 countries, wherever you are, in Britain or worldwide, you'll never be far from Super Service.

**Godfrey Davis**

**Super Service starts here**

**europcar**

In the UK, Latin America and the Pacific the National Car Rental.



## THE MANAGEMENT PAGE: Marketing

EDITED BY CHRISTOPHER LORENZ

## How Spurs sells soccer

BY DAVID CHURCHILL

TOTTENHAM HOTSPUR go to Wembley on Saturday for the 101st FA Cup Final hoping that success on the field will encourage a major company to fork out about £1m for three years' sponsorship of the club.

For that £1m the sponsoring company will get its name emblazoned for all time across the club's new £4.5m grandstand as well as (for three years) across the shirts of a football team conservatively estimated to be worth £5m in today's transfer market. In addition, the firm will buy the use of two plush executive boxes for the next three seasons and a host of other special privileges for sponsors to impress clients or reward employees.

## Tradition

The selling of Spurs has now become big business for the North London club — at Wembley for the second year running — with advertising, sponsorship, and promotions, estimated to have earned it more than £1.6m this season. That may be only about the price of one and a half strikers in the transfer market, but for Spurs — faced with hefty interest payments on the borrowings for its new stand and the need to buy new players — it is a more than welcome inflow of funds.

The fact that Spurs needs this extra commercial revenue at all is a clear indication of the financial pressures facing most football clubs at present. Spurs can still count itself fortunate that it is among the few clubs making profits. Last season the club made a profit of £512,000 with net gate receipts (home and away) of just under £2m. Earnings from other sources came to over £350,000. This season, lengthy runs in three cup competitions have been very profitable although there is no guarantee of repeat success next season.

The steady flow of funds into the Spurs coffers from sources other than gate receipts and transfer deals is all the more significant given that it is a fairly recent development by the club. Ten years ago, for example, the club almost virtually no advertising within the ground or in its programme and it is only over the past three seasons that it has seriously attempted to tap the vast commercial potential of a successful First Division football club.

Spurs has been a club steeped in tradition ever since it was first formed almost a century ago (next season is the club's centenary) and played its early matches on Northumberland Park in North London. (The club's name is believed to have come from this association: the



Mike Lewis: "If only I could sell the cup final as well..."

son of the Duke of Northumberland was one Harry Hotspur.

At the turn of the century it bought its present ground, White Hart Lane, from the Charrington brewery and much of its financial stability has resulted from owning this valuable freehold.

But by the mid-1970s, roaring inflation and spiralling transfer fees and players' wages, forced Spurs to change its attitudes and to start taking a more commercial approach to exploiting the club's potential. This change was stimulated by poor playing results, which saw the club relegated to the second division in 1977-78. Apart from injured pride, playing in the second division meant smaller gates and reduced revenue at a time when the club needed to buy new players to finance its return to the elite of British football.

A million pounds was spent on three players in the summer of 1978 — including £750,000 for the two Argentinians Ardiles and Villa — and the club also took the important step of appointing Mike Lewis as its first ever commercial manager. Lewis had previously been a fund raiser for charity before spending two years as commercial manager for Newport County.

His brief, he remembers, was to boost Spurs' commercial revenues "without at the same time turning it into a sort of Chipperfield's Circus."

Lewis was therefore concerned not to push Spurs too far and too fast into money-making gimmicks which might damage the club's reputation. His first task was to review the club's existing advertising commitments and promotions — he quickly brought in a new lottery scheme — and to explore the potential for match sponsorship.

Sponsorship is what the name of the football game has now become with big clubs such as Liverpool, Arsenal, and Manchester United all negotiating deals with sponsors which include shirt advertising. In Lewis's first season, however, only about a dozen matches were sponsored as the club felt its way in this — for Spurs — relatively new territory.

However, it soon became clear that there was a considerable untapped market among companies of all sizes in the London area which welcomed the opportunity to entertain guests via participation in a major first division football club. Match sponsors, therefore, have so far ranged from the National Giro-bank and the Bradford and Bingley Building Society through to Hitachi and London Transport (the latter because many potential bus and tube drivers go to football matches.)

For a fee of between £4,500 and £7,000 — depending on the calibre of the opposition and whether or not the match is being televised — sponsors get

up to 70 seats in the main stand plus full catering facilities; five pitch perimeter advertising sites; use of a sponsorship suite equipped with full audio-visual equipment; use of other club facilities and guest appearances by the players.

"We aim to be as flexible as possible in meeting sponsors' needs," says Lewis. Arrangements can be tailored so that special presentations or sales promotions can be included in the sponsorship package.

Lewis used direct mail shots and personal contacts to get the sponsorship programme going — now he finds that about three-quarters of sponsors make repeat bookings and the majority of next season's sponsors will be signed up within the next few weeks once the new fixture list is published.

But the real cream of the club's sponsorship programme is coming from its new executive boxes, which it is offering to companies at £10,000 a season. Each of the 72 boxes seats eight people in comfort, has full catering facilities, and closed circuit television of the match as it happens. Advertising space around the ground and in the programme is also included.

So far, Spurs has leased some 44 of the boxes to such large companies as Tesco, Barclays Bank, Merrill Lynch, and Cannon Assurance as well as to smaller local companies — and is confident of having every box filled most Saturdays next season. (Unleased boxes can be hired on a match by match basis.) When fully utilised, the boxes will mean extra revenue for the club of about £700,000 a season.

## Lotteries

This is by far the most lucrative area of revenue for Spurs (apart from gate receipts and transfer fees), followed by other more traditional sources of revenue such as advertising, programme sales, lotteries, and catering. Two other ventures have been a Spurs shop, selling almost every souvenir an ardent supporter would ever want, and a travel agency for away matches.

Somewhat surprisingly, Saturday's cup final will not be the commercial bonanza it could be. The clubs are not allowed to obtain sponsors for the match in the same way as for a league or cup game at White Hart Lane. Instead, the clubs have to rely on the not inconsiderable fees from television, gate receipts, and the extra sales of scarves, rosettes, records and other souvenirs.

"But," adds Lewis somewhat wistfully, "if only I had a free hand to sell the cup final to our sponsors as well..."



Hugh Routledge

## Advertising without razzamatazz

Dorland's Jack Rubins keeps a low profile. David Churchill explains why

JACK RUBINS is most unlike the popular image of an advertising agency chief: he neither courts publicity nor leads a flamboyant lifestyle. In the same way Dorland, his agency, does not go in for the sort of aggressive trumpet-blowing that is the hallmark of a number of other agencies.

Yet Dorland — for all its low profile — has crept steadily into the top 10 of UK advertising agencies in the past couple of years with a growth rate only marginally below that of Allen Brady and Marsh — another high star of recent years and an agency whose popular image is the exact opposite of Dorland's.

Dorland's billings in the first quarter of this year (according to the MEAL analysis of Press and television expenditure) were up by over 53 per cent on the same quarter of last year — the fastest growth rate for any of the top 10 agencies.

Dorland's steady growth since 1976 can be attributed to Rubins' distinctive and tightly-controlled management system, rather than to the spectacular acquisition of new accounts. It was this management style that attracted the Saatchi brothers to make a successful bid for Dorland last summer — in a deal worth up to £3.6m — to complement Saatchi and Saatchi, Garland-Compton and also to give Saatchi a broader base from which to launch its U.S. acquisition of Compton's this spring.

The Saatchi brothers were apparently only too willing to take on Dorland purely as an investment and to bolster their overall penetration of the UK advertising market. They have no intention, says Rubins, of trying to merge any of the Dorland operations with those of other agencies in the Saatchi group.

"Dorland's autonomy and freedom to operate have in no way been encroached upon by the takeover," maintains Rubins. "In fact, neither Maurice nor Charles (Saatchi) has as yet been into our offices."

An indication of this freedom is that Rubins is actively considering the acquisition of a U.S.-based agency to give Dorland the international coverage needed to service some of its larger clients. The

fact that Saatchi — by its takeover of Compton's in March — is now the ninth largest agency group in the world does not preclude Dorland's own expansion overseas, says Rubins.

After an initial period of uncertainty for both staff and clients after the Saatchi takeover of Dorland, Rubins says that the "message about our autonomy seems to have got across." He claims that the agency is now getting "more enquiries from potential new clients than ever before."

Dorland's growth rate in the past six years — since Rubins took over as chief executive — has been equally impressive. The agency moved from 18th position in 1976 with MEAL billings of £8.4m to ninth last year with billings of £31.8m. Over the same period only Allen Brady and Marsh has risen faster — from 17th place and billings of £9m in 1976 to a seventh place last year with billings of £33.8m.

## Asset strip

The leading agency in terms of MEAL billings was JWT last year, with billings of £78.1m, while Saatchi and Saatchi came second with £70.4m. In the "Campaign" magazine league

table of total billings, Dorland came tenth last year with billings of £46m, although Saatchi's came out on top with reported billings of £101m.

Dorland's growth over the past six years has been even more remarkable given the low morale within the agency in the early 1970s following its short ownership by John Bentley's Barclay Securities in 1971.

Dorland was a fairly sleepy, publicly-quoted advertising agency which Bentley was able to acquire and then strip of its property assets — as was the vogue in the early 1970s.

The effect of those traumatic months in 1971 took some years to shrug off — during which time Rubins impressed his effectiveness on the agency and worked his way to the top job by 1978. His style was immediately effective as billings rose from the 1976 level of £8.4m to £13.3m in 1977.

Rubins sees himself very much in the motivational role in the agency: it is his job to create the framework for the creative talents to work at their best. It is for this reason that he has deliberately kept a low profile, although there is a suspicion that he is enough of a workaholic to prefer the intricacies of agency life to taking a front role in the razzamatazz of the advertising world at large.

Certainly, Rubins does not demur from being compared with that other famous JR of TV's soap-opera fame. He happily sees himself as the behind the scenes wheeler-dealer, rather than a straight-forward front man — although he obviously is out of tune with some of the more sordid sides of the other JR's complex character.

The marketing director of a large company which uses Dorland tellingly describes Rubins as being "like a mafia chieftain surrounded by his young lions."

Certainly, the Rubins' style is to encourage a tightly-knit family atmosphere within the agency.

Rubins takes great pride in creating the right balance between the creative and other departments within the agency. He strongly believes that over-elaborate management structures are unnecessary in an agency of Dorland's size (about 250 employees in total); he also believes in buying in talent when it becomes available, rather than waiting for the work to come in before trying to find good people. "I've found that if you take on talented people, then the work usually follows," he adds.

Rubins also tends to move staff around within the agency more than is usual for an advertising agency. This tactic has two aims: first, it helps keep staff happy by giving them new opportunities; and, secondly, it stops them getting too close to the client and perhaps losing some of their judgment.

Agency employees who stay with one account too long also have a strong desire to "pinch" the account and set up on their own — hence the profusion of new agencies that are spawned

every year. By encouraging internal staff mobility, Rubins manages both to defend Dorland's major accounts and to allow employees to develop their careers within one agency. (Rubins himself, now 50, has spent all his advertising career with Dorlands since he joined in the late 1940s.)

Rubins, however, maintains that his employee policies increase rather than weaken the closeness of the agency's relationship with clients. Rubins believes that clients are encouraged to feel that they are getting the attention of the whole agency in dealing with their particular marketing problems, rather than the views of a small select team. Moreover, he says that his policy of seeking talented people at all levels ensures "we can match our clients up with the best people throughout the company and not just at the top."

Rubins' management style obviously works — judging by the growth in billings. But it has not been all plain sailing. In the first couple of years of Rubins' reign, the company's management control systems were inadequate for the increased business, thus affecting operational efficiency. Rubins points out that the problem was they had been designed to administer an agency with billings of £10m which was rapidly doubling and trebling the size of its business.

The solution to the management control breakdown was more an application of sound principles and common sense than anything magical. "It was simply a matter of persevering until we got the control systems along the right lines and taking on the right people to ensure that we didn't get caught out again," he says.

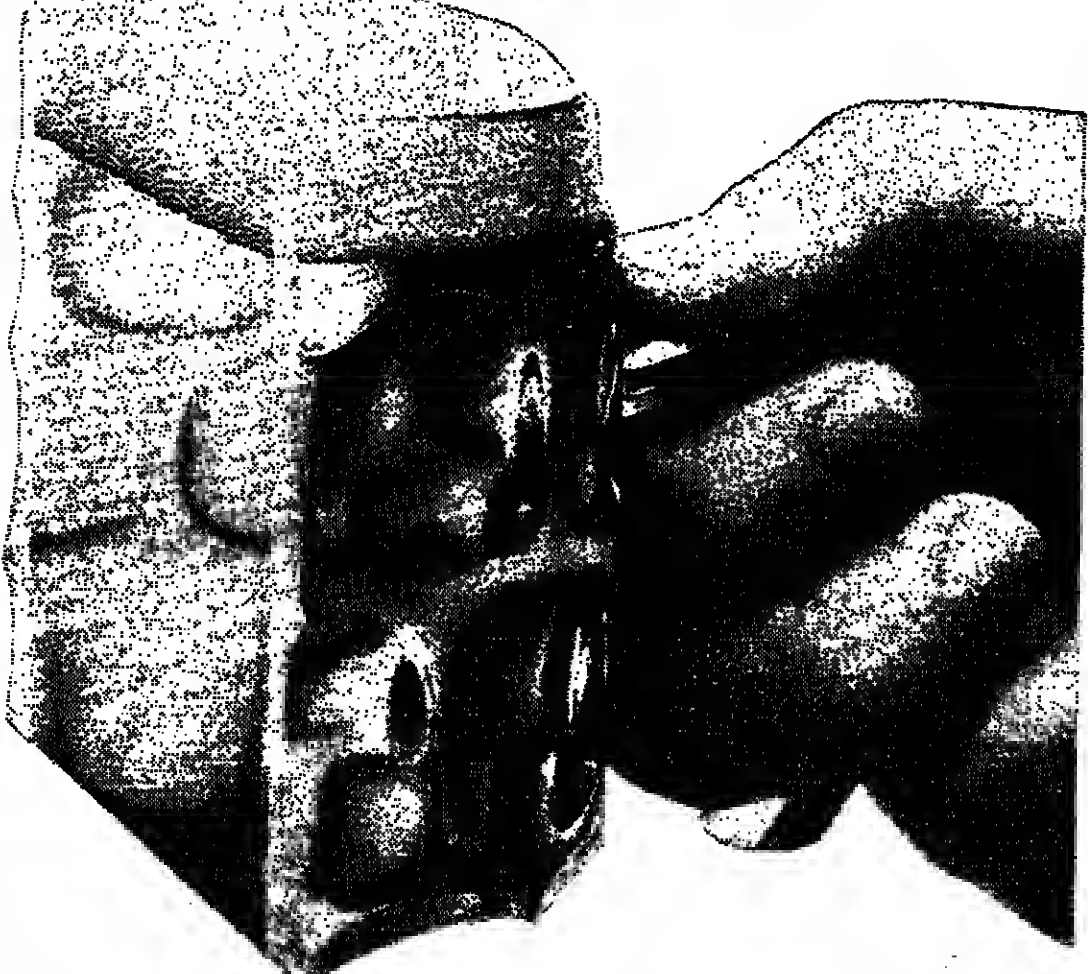
## PUT A PLUS INTO YOUR NEXT INCENTIVE SCHEME

Better incentive schemes mean better profits. If you want a better incentive scheme that is cost effective, contact Rewards Plus, a division of Empire Stores. We make full use of the parent company's £150 million a year buying machine and advanced computer controlled handling systems. We've also got a team of experienced marketing people who can provide every aspect of the most ambitious incentive programme.

For more details contact: Rewards Plus, 21 Cantelup Road, East Grinstead, West Sussex RH19 3EB or telephone (0342) 25220.

REWARDS PLUS

If you're missing Link, you're missing 16.7% of the beer market.



Link is the selling arm for both Yorkshire and Tyne Tees Television.

Clearly these are not markets to be missed, whatever you're selling. Yorkshire alone accounts for 9.9% of all ITV homes, while Tyne Tees makes up a further 5.9%.

Advertisers buying airtime in both regions will reach the biggest market outside London.

A market that accounts for fully one sixth of the total UK population.

And one sixth of consumer spending — a massive £500 million a week.

So if you're looking for volume sales, make sure that Yorkshire and Tyne Tees get their full share of your television advertising budget.

To do just that, call our highly experienced sales team here at Link.

LINK

TELEVISION HOUSE, 35 BEDFORD SQUARE, LONDON WC1R 4EJ. TEL: 0432 8844. FAX: 0432 29384.

## OVERWORLD

invites you to see their announcement on PAGE 10

Word-processing. On your mind? In your budget? In your office?

If you're new to word-processing... if you're thinking of enlarging or replacing your system... if you're a large-scale multi-station user... now's the time to discover what the latest word-processors can do for you.

Today, even the simplest word-processing system tackles so much more than dictation, typing and records. Flexible hardware, proven software programs — every month there's something new that makes word-processing more cost-effective.

Streamline your typing... automate your personnel records... maintain your mailing list... speed up your management reports... build up a small- or large-scale communications network...

From property-matching, through legal documentation, to accounts presentation, nothing is too specialised for today's word-processing to handle. Cost-effectively.

See what it does for your business

At the seventh International Word Processing Exhibition. Nothing compares with this comprehensive, dedicated word-processing show. First-time buyer or big-business user, you can't afford to miss it. For free entry, clip the coupon and take it with you when you go.

INTERNATIONAL WORD PROCESSING EXHIBITION

Wembley Conference Centre, London.

25-28 May 1982.

10.00-17.30 hrs (6.00 hrs on 28 May).

## ENTRY VOUCHER

The voucher may be exchanged for a complimentary ticket to the exhibition (worth £2) at the registration desk. (No admission under 18 years of age.)

BETA Exhibitions, Business Equipment Trade Association, 8 Seething Lane, London, EC3A 2EP. No. 8







## TECHNOLOGY

EDITED BY ALAN CANE

Alan Cane reports the progress in an industry whose time seems to have come

## Coil coating comes into its own

A FINISHING technology pioneered over 25 years ago is coming into its own as manufacturers look for new ways of cutting materials and energy costs. The technology is coil coating — sophisticated methods of applying paints, plastics or laminated films to coils or sheets of steel or aluminium, before it is processed.

This week, members of the European Coil Coating Association (ECCA), now over 200 companies strong, were meeting in London to preview what is becoming an increasingly rosy future.

In 1980, the European industry delivered 1,177,000 tonnes of coated material, equivalent to 284m square metres.

Last year, the total was 323.4m square metres, an overall increase of almost 14 per cent, when in general demand for steel and aluminium was in the doldrums. The increase was 16 per cent for coated steel, and 9.3 per cent for coated aluminium.

## Upsurge

Mr Norman Makins of the British Steel Corporation, newly elected ECCA president, said this week he believed there had been a sudden upsurge in demand for coated coil as industry realised the costs savings involved. These included savings in raw materials, in energy and in anti-pollution measures.

According to ECCA, the average gas consumption in pre-coating varies between 6,000 BTU per square metre and

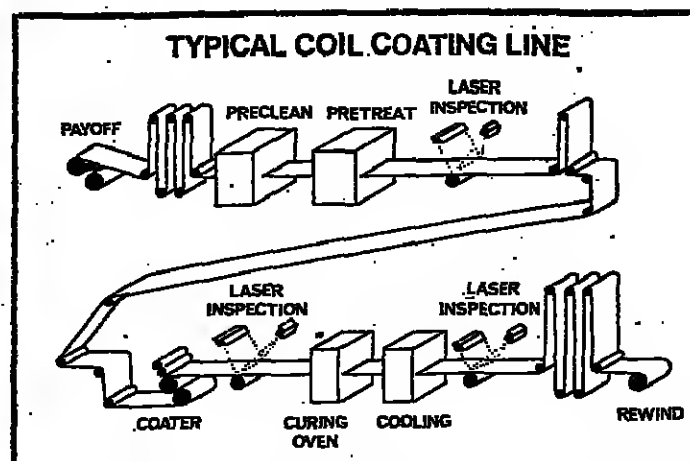


9200 BTU per square metre; if the coating is applied after forming, gas consumption is of the order of 35,400 BTU per square metre of treated material.

Coil coating is not simply the addition of a protective layer. Certainly, the coating does protect the metal against corrosion, but it is also intended to be a complete finish, smooth, fault-free and decorative. No further coating or decoration should be necessary.

Inevitably, perhaps, the motor industry with its high demand for steel sheet is a leading user of coated coil, especially in the U.S.

Now the U.S. white goods in-



Norman Makins, ECCA President, left; a typical coil coating line with Intec lasers in place, above.

dustry is beginning to use coated coil in a big way. Mr Makins believes that only the tip of the iceberg in white goods has so far been tackled by the industry in Europe and that substantial growth should be seen there.

Already in the UK Hotpoint, the white goods manufacturer, is beginning to use coated coil for its domestic products. What the industry wants to sell is a pre-coated material that is hard, flexible, impervious to corrosion, colour-fast and glossy. Such a material has virtually universal application. What is worrying the industry is quality control.

Typically, a coil coating production line involves three operations. The coil of metal is cleaned and pretreated; it is primed and cured and then a top coat is applied and cured.

Line speeds in the coating process can be as high as 700 feet per minute. Coating thickness varies from one material to another but can be as little

as five millionths of a metre for PVC through to 25 millionths of a metre for Plastisol.

Human inspection is clearly out of the question for lines operating at such speeds and to such fine tolerances, which is why a new laser-based inspection system is exciting much interest among coil coaters.

The system was developed by the Intec Corporation of the U.S. It comprises a high-speed laser scanner, an optical sensor, a quality control centre and a system printer.

The scanner is a helium/neon laser beam pointed at a multi-faceted mirror which sweeps the laser spot across the moving strip 5,000 times a second. The light reflected from the strip surface is collected by a light pipe and fed to photomultiplier tubes to be converted into electronic signals.

## Defect

A change in the normal signal output indicates a surface irregularity or defect.

The quality control centre is microprocessor-based: it processes and analyses the data, feeding information to the system printer which generates hard copy reports. If defects are detected in excess of preset values, audible and visible alarms are triggered.

Most industrial metals are coated in one way or another before the finished product is offered for sale; the coil coaters believe they have the answer to the question is, which way is best.

## Acorn, Nat Semi in micro pact

BY GUY KEWNEY

ACORN, the small UK manufacturer which designed the BBC computer, is collaborating with the major U.S. semiconductor house National Semiconductor (NatSemi) in an effort to beat allcomers to the next generation of microcomputers.

It is developing a computer which can be added-on to the BBC computer or to popular computers made by Apple, Tandy and Commodore.

The add-on computer (which Acorn is calling the "Glon") in line with its policy of calling its machines after nuclear particles) will give these machines remarkable extra computing power.

It will be based on a microprocessor chip from NatSemi which handles binary digits (bits) 32 at a time. State of the art microprocessors such as the Intel 8086 handle bits 16 at a time.

So NatSemi, which so far has made little impression in the microprocessor market, is hoping to leapfrog its competitors with its new chip.

Acorn is only one of several high technology companies it has lined up to support this effort. The electronics group Bosch and the computer company Nixdorf, both of West Germany, are announcing projects based on NatSemi's 32

bit chip.

In the U.S., Wang is expected to announce a joint project aimed at the office systems market. Most significant of NatSemi's moves, however, is the signing of a far-reaching deal with Translational Systems in California which will provide the essential software (computer programs) support.

It has developed a wide range of programming languages all of which can be adapted to run on the NatSemi chip.

For Acorn, the surprising choice of the little known NatSemi chip rather than rival 16 bit designs from Motorola or Intel is seen as part of an ambitious strategy to produce a machine that will not be vulnerable to obsolescence.

The company expects to turn over some £15m to £20m this year and hopes to have installed around 80,000 BBC computers before January 1983 now that production difficulties which dogged the introduction of what is seen as an excellent product have been ironed out.

A little known but very clever feature of its design for the BBC machine is a device called the "Tube" in fact a high speed data highway which passes instructions and

**Cut your telex costs here:**  
**NTL** Network Technology Limited

We have the affordable, effective answer — now!  
Unit 8, Suttons Industrial Park, Reading, Berks. RG6 1AZ.  
Tel. (0734) 664667 Telex 849023

data from the computer to an external processor. It is this feature which makes add-on computing power possible.

In a BBC computer with attached Glon processor, all the arithmetical and logical manipulations would be carried out with the full power of 32-bit processing; the computer's own microprocessor would be used to control the display and the keyboard.

The availability of 32 bit power plus a range of working software is seen as an ideal platform from which to launch U.S. sales of the BBC micro, planned for the beginning of 1983. Production has now been arranged in Hong Kong for overseas markets including Australia and the U.S.

It is expected that a Glon processor with around 256Kbytes of memory and a Unix or Unix-like operating system will sell for about U.S.\$2,000 in the U.S. and about U.S.\$3,500 with a large-capacity Winchester disc for data and programme storage. NatSemi believes the strength of Translational Systems software lies in its "portable" design which allows users of a new design of computer to produce their own version in a very short time.

## Oscilloscope sets new trend of sophistication

AN OSCILLOSCOPE entirely redesigned and made at Gould Instrument Division, Balaclava, Essex, is serving a trend that takes the art of waveform examination into new realms of sophistication.

Much of the knob twiddling and estimation associated with the use of 'scopes has been done away with in the OS 5100, a £5,585 instrument that makes automatic measurements on waveforms that have frequencies up to 100 MHz.

For example, estimation of waveform amplitude and time parameters using graticule and calibrated control has been

replaced by a pair of bright market points or cursors, each of which is placed using a single "shift" knob, at the desired points on the trace. A built-in microprocessor then takes over and measures the time spacing between the two points and their amplitude difference. Then, the results appear, in alpha-numeric form on the screen.

It is all done by digitising the waveform (sampling it at high speed), a technique which also allows the trace to be kept in storage. Later, it can be recalled for comparison with say, another similar live trace, or another stored one.

Extensive trigger facilities include delay-by-time and delay-by-event modes, both offering very high accuracy and resolution with crystal controlled time. It is also possible to trigger on a specific logic word if the 'scope is used in conjunction with an optional logic analyser word-recognition pod.

In view of the storage facility, the machine can also be "read out" into a chart recorder. Furthermore, it can be connected, via an optional card, to an IEEE bus to become part of a larger measurement system. In essence, this means the instrument can send its

readings elsewhere (perhaps for analysis) or it can accept instructions to perform certain measurements. This makes the OS 5100 well suited to work in a production environment because it can, for example, remember up to 40 measurement routines and carry them out in sequence. Could believe the instrument will simplify the testing of a growing variety and increasing quantity of digital equipment and should allow a less-skilled grade of operator to carry out even the most complicated measurements.

GEOFFREY CHARLISH

## Credit card analyser

SENSION SYSTEMS has developed a device for the analysis of magnetically encoded cards.

The device is capable of reading all three tracks on a standard card and provides a pass/fail status report for each of the tracks.

It will also display a graphical bit density plot for each track on request.

The test information is displayed on a 14 inch screen using colour coded characters, backgrounds, and flashing text. More on 0606 44321.

## Cheaper way to countersink

COUNTERSINKING holes in metal strip components can be an expensive business using conventional drilling methods.

Rhodes Gill of Leeds has come up with a new technique which instead of extending the drilling time, uses a 250 ton mini-forge coining press to recess large diameter holes. A smaller press with a strip feeder can cope with countersinking of less than 30mm diameter.

The mini-forge can be used continuously at high tonnage with an air cooler to maintain

oil temperature without the need for water cooling.

Mr A. C. Midgley at Rhodes Gill, Carlisle Drive, Pudsey, Leeds (LS32 7RT) will be happy to explain further.

## Tester for gas leaks

HOME BREWERS, cyclists and gasmen have a common interest in detecting leaks. In fact, everywhere gas or air is supplied, piped or compressed there is need for a simple and reliable method of checking that joints and seals are secure. Soapy water is one answer. "Action" from Pennongrade of

Slough is another. "Action" is an aerosol containing a liquid designed to bubble in the presence of gas leaks.

It is powered by compressed air and the makers, Pol Dynamic of Sweden, claims there is no fire risk or danger of inhaling noxious gases. It is recommended by and available from Calor Gas, Pennongrade's address is PO Box 71, Slough SL2 3SH.

## Theodolite

OUTPUT of the Hall and Watts ST456 theodolite is to be stepped up as a result of increased manufacturing and inspection space; at the company's St Albans works. Existing customers in need of repair or service to existing instruments should telephone 0727 35666.

Tomorrow's world is a place full of lasers, microprocessors and sophisticated computers. In Britain our coal industry is already using them. They have made us the most advanced coalmining nation in the world.

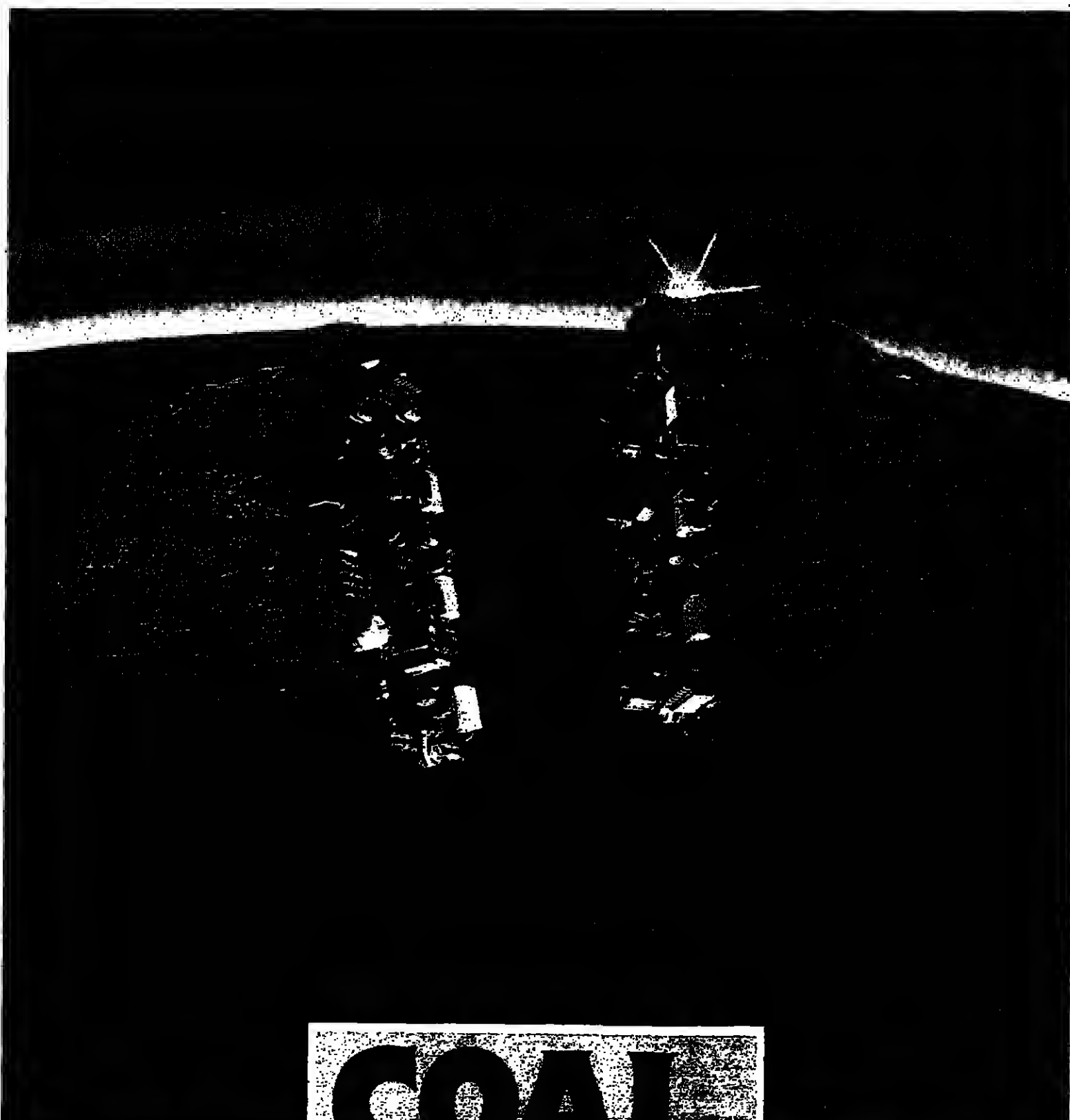
The timing is perfect. British industry now needs a modern, reliable and economical fuel to replace those that will soon dwindle in supply.

Coal is the energy lifeline.

It is the one energy source that is still plentiful. We have estimated resources of 45,000 million tonnes. Enough to go on supplying British industry for the next 300 years. Looking even further into the future, the NCB is using ultra modern surveying techniques to uncover further deposits.

This is only part of the story. Today's coal is clean. In modern installations coal and ash are seldom seen and rarely touched by human hand. And all smoke is consumed within the boiler.

Remote control also plays its part in mining today's coal. Using some of the most advanced mining techniques and



equipment in the world assures the NCB of high rates of productivity. The same techniques and equipment earn valuable export revenue for Britain.

Coal is now a rapidly expanding industry. The NCB has the technology to convert coal to vehicle fuels, lubricants, chemical feedstocks and there is an acceptable substitute for natural gas.

And the NCB can show British industry how to burn coal with unprecedented efficiency and economy. New coal burning technology, together with the various Government grants available, promises a reduction in capital outlay as well as easier equipment installation.

It is within coal's power to make British industry more efficient, more cost-effective, more competitive in world markets. If we make the most of what coal has to offer, all of Britain will benefit. Your company included.

You might like to know more about the ways in which coal can profitably guide your company into the 21st Century. If so, fill in the coupon below.

Technical Service, Marketing Department,  
The National Coal Board,  
Hobart House, Grosvenor Place, London SW1X 7AE.  
Tel. No. 01-235 2020  
Name \_\_\_\_\_  
Title \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_

**NCB**  
FT20/82 BCA

**COAL**

**THE FUEL WITH A FUTURE.**



## FINANCIAL TIMES SURVEY

Thursday May 20, 1982

## UK Steel and Stockholding

The future of Britain's steel industry is uncertain. Massive cutbacks and European Commission measures have recently improved trading figures but supply still exceeds demand. No-one is predicting a major recovery and moves in America may soon worsen the position.

## Slow recovery has fragile foundations

BY IAN RODGER

A NERVOUS calm prevails in the UK steel industry.

The horrific cutbacks of the past two years are on the way to being completed and the British Steel Corporation and other steel companies are beginning to see some sensible trading figures in their internal accounts.

The recovery to date is, however, built on the most fragile of foundations and consists of loss elimination and price increases only. No-one in the industry claims to see a significant upturn in demand. BSC, for example, is looking for only a 1.5 per cent rise in the output of the major steel consuming industries this year.

Supply still far exceeds demand and price increases have only been achieved because the European Commission imposed production quotas on community producers in November 1980 and required them to publish and stick to their prices from June 1981.

These measures have worked surprisingly well to date and their renewal next month by the Council of Ministers for at least another year seems a certainty.

But the first effects of the anti-dumping suits filed by U.S. steel producers early this year against several European companies will be felt next month as well. And the effective closure of the U.S. market that

could occur threatens to undermine the delicate balance between supply and demand in European steel markets.

This, in turn, threatens BSC's scheduled recovery to break-even point next year under the three-year "slimline" plan designed by Mr Ian MacGregor, chairman.

As he enters the final year of his three-year contract, Mr MacGregor is under increasing pressure not only to make a success of his plan but also to hivel off more parts of the corporation in the private sector.

## Contraction

Whatever happens in the next year, the longer term future of the British and European steel industry is far from clear. Recent riots by steelworkers in Belgium protesting against plants closures showed once again how hard it is for the Commission to implement its medium-term plan to reduce overall capacity in line with foreseeable demand.

BSC's view, solidly backed by the British Government, is that it has done more than its share in the past two years. Indeed, the scale of the contraction within the corporation is almost unbelievable.

By 1979, BSC had already responded to the weakening of demand since the 1973 oil crisis by cutting capacity from 27m

to 21m tonnes. But in the past two years, it has slashed capacity to 14.4m tonnes and shed 66,000 jobs, a third of its labour force. Redundancy charges alone reached nearly £400m.

Despite these cuts, the real gamble in the corporation's "slimline" plan was that it could maintain its five bulk production sites, Port Talbot and Llanwern in Wales, Scunthorpe and Teesside in England and Ravenscraig in Scotland, rather than eliminate one of them.

The plan was based on the assumptions that BSC would recover its home and export markets lost during the 1980 strike and that the home economy would gradually improve this year. If that happened, the corporation could with luck break even by spring 1983, compared with a forecast loss of £338m in 1981-82. It also hoped to be operating strongly enough to be able to consider restoring some idled capacity.

The parts of the plan over which BSC has had some control have gone well. The corporation pushed up its prices since the European crisis measures went into effect and it has fought hard to regain its 54 per cent share of the home market.

Thanks in part to the excellent international contacts of its chairman, BSC has also scored some export sales coups. In April, for example, BSC won a £10m contract to supply Kaiser Steel Corporation in the U.S. with 75,000 tonnes of steel slabs.

Demand in many bulk markets remains weak, however, and the corporation is anticipating no increase in deliveries this year over last year's 10.3m tonnes.

The great tragedy of British steel is not that it reflects the

decline in the British Steel Corporation," Mr MacGregor said recently. "It reflects a decline in the British manufacturing industries." Mr MacGregor has always said the slimline plan was optimistic and some observers wonder if it is now being undermined by the lack of recovery in demand.

Having cut production staff severely, they argue, BSC's only available option for further contraction, if this became necessary, would be to shut one of the big sites. At this point in the life of the Conservative Government, such a move would be very difficult.

But in his testimony to the Commons Industry and Trade Committee last November, Mr

MacGregor indicated he was still looking for significant reductions in the workforce without capacity cuts, aiming to get the total employed down from about 100,000 today to 62,000.

Much may depend on the next moves in the attempts by U.S. steel companies to reduce the flood of imports into their home market. After the sharp rise in U.S. imports last year, particularly of pipe for oil exploration, U.S. steel companies slapped anti-dumping suits on European, Japanese and other steel exporters.

## Unprofitable

As of June 10, the affected companies, including BSC, will have to post bonds covering any

potential amounts that might be assessed against them on their U.S. steel deliveries. This will make it unprofitable to export to the U.S. Vigorous attempts are being made to diffuse the issue out of court but time is running out.

BSC's sales to the U.S., at 0.5m tonnes a year, are not great in terms of volume nor in terms of the corporation's overall exports of 2.1m tonnes, but they are concentrated in high value engineering and special steels.

Moreover, as Mr MacGregor has said, the real concern is not so much the closure of the U.S. market, as the prospect of the displaced steel being aimed at the fragile European markets.

Excess capacity and weak demand in 1980 had combined to plunge European product prices well below levels prevailing in Japan and North America.

Late in the year the European Commission declared a "manifest crisis" and imposed production quotas on Community producers. This measure alone proved inadequate and so last June the Commission required all producers and large stockholders to post and stick to their prices for most products.

To the surprise of many, the measures have worked fairly well. Certainly, they have enabled both BSC and the private British producers to recover considerably from the financially ruinous terms of trade prevailing a year ago. On average, prices have risen about a quarter in the past year and are now slightly above 1979 levels.

There are, of course, problems with the measures, the fundamental one being that they tend to ossify the existing industry structure rather than

encourage innovation and efficiency. But the idea is that they are a temporary expedient while the industry gradually cuts its capacity before Government subsidies are removed.

To make sure this happens, the Governments of the ten ECSC member countries have agreed to eliminate all subsidies to their steel companies by the end of 1985.

Inevitably, there have been complaints about the fairness of the quotas imposed on individual companies. The current negotiations towards renewing the measures for at least another year are being spiced by attempts by various groups to claim bigger shares.

A more substantial point on the agenda is the attempt to subject a number of additional products to the crisis measures.

For example, narrow cold rolled strip was not included within the list of products covered by the ECSC when the treaty was signed in 1951. But technology has since advanced in hot rolled wide coil to the point where it now competes with the cold rolled.

Britain, whose special steels industry has been hard hit by low-priced imports, is making a major effort to make most of these products subject to controls as well. Support for this proposal is said to be limited.

While the British Government worries about the determination of other European governments to pursue steel capacity cutbacks, it has intensified its efforts in the past year to complete the job in this country.

It has, for example, commissioned studies of the state of three sectors, special steels, cold rolled narrow strip and bright bar, with a view to helping companies negotiate

## IN THIS SURVEY

Private sector	II
Continuous casting	II
Manpower	III
Stainless steel	III
Structural sections	III
Flat rolled products and tubes	IV
Stockholders	IV

rationalisation. It has also backed a project by Lazard Brothers to rationalise the steel castings sector.

More important, last December, the Government agreed to make available £22m to help the financially strained companies in the private sector face the costs of the redundancies and relocations.

BSC has already been involved in two of the largest attempts at rationalisation schemes to date. With Guest, Keen and Nettlefolds, it set up a new company, Allied Steel and Wire, last June combining the two companies' rod and wire and GKN's light sections interests.

Mr MacGregor has said he wants to develop the high value added sectors of BSC's business but many of these, including engineering steels, are those in which there are real prospects for privatisation deals. And the performance fee to be paid to Lazard Frères in New York at the end of the chairman's contract next year will depend, inter alia, on progress in hiving off segments of BSC to the private sector.

## CRUDE STEEL PRODUCTION

By country, '000 tonnes, monthly averages.

	1978	1979	1980	1981
Belgium	1,051	1,121	1,025	1,024
Brazil	1,069	1,147	1,276	1,101
Canada	1,342	1,340	1,324	1,233
Czechoslovakia	1,274	1,234	1,269	—
France	1,903	1,947	1,930	1,760
East Germany	581	585	699	—
West Germany	3,438	3,837	3,653	3,468
India	842	845	786	878
Italy	2,024	2,021	2,209	2,043
Japan	8,509	9,312	9,284	8,472
Luxembourg	399	412	385	316
Netherlands	466	484	439	456
Poland	1,604	1,602	1,624	—
Spain	930	1,009	1,056	1,077
Sweden	360	394	353	314
UK	1,693	1,789	940	1,298
U.S.	10,359	10,273	8,474	9,065
USSR	12,620	12,417	13,333	—

Source: Iron and Steel Statistics Bureau.

# British Industry shouldn't pull its stocks up

To improve cash flow and avoid expensive inventory costs, many companies have run down their steel stocks to the bare minimum.

And they've been pleasantly surprised.

For they have discovered the advantage of turning to us for their steel needs.

With 30 Divisions, more stock than anyone else in the UK (some 120,000 tonnes of it) and with the most extensive processing systems around, we are able to complete just about any order in a matter of days.

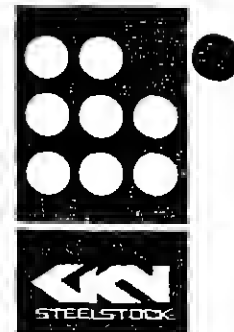
We've carried the risks, and they've carried on in business.

So if there's one thing that the recession has taught British Industry it is that the high costs of unnecessary steel stocks must be avoided.

By a phone call to us.

**GKN STEELSTOCK**  
Service. That's Our Strength.

GKN Steelstock Ltd.,  
P.O. Box 4, Bridgnorth Road, Wombourne, Wolverhampton WV5 8AT Tel: (0902) 896565





## ASSOCIATED STEEL DISTRIBUTORS LTD

Expanding in the right direction —  
Not the biggest —  
Certainly one of the best —  
Serving Steel Consumers

Anderson Brown - Edinburgh  
Coutinho Steel - London  
Pinxton Steel - Notts  
Yeovil Steel - Stalbridge, Dorset

Serving Steel Stockholders

D & F Steels - Leeds,



the  
original of a new  
concept in steel  
distribution and  
still way ahead

## UK STEEL AND STOCKHOLDING II

British Steel Corporation's sales drive increases the gloom caused by depressed markets

# More casualties expected in private sector

ALREADY dangerously weakened by depressed markets and prices, the private sector of the UK steel industry has had to contend in the past year with British Steel Corporation's aggressive drive to regain market share after its disastrous 1980 strike.

The results have been dramatic. Two major mills have been closed, most companies have suffered crippling losses and more than 20,000 jobs have been shed since 1979.

The carnage is by no means over. Although many prices have improved—thanks to the European Commission's crisis measures—business remains poor.

Already, 15 applications are being prepared to take advantage of the Government's belated £22m redundancy and restructuring scheme announced last December. And pressures remain strong for further major rationalisation in the engineering and special steels sectors and in steel castings.

The first and largest casualty to date in the current slump was Duport. Having spent £35m

in the late 1970s on a new engineering steel complex at Llanelli, the group encountered losses of £7.9m in steel in the year to January, 1981. Heavily burdened with debt, it shut the mill, sold its rolling mills to BSC for £22.5m and launched a rescue rights issue.

Duport was one of four private sector companies that had been trying urgently to hammer out an overall rationalisation scheme with BSC in engineering steels.

A few months after this closure, Tube Investments, which was also under financial strain, agreed to sell its 50 per cent interest in Round Oak Steel Works to its partner, BSC. Then the Llanelli-owned Hadfield chose to shut down much of its engineering steel operation rather than sell out to BSC.

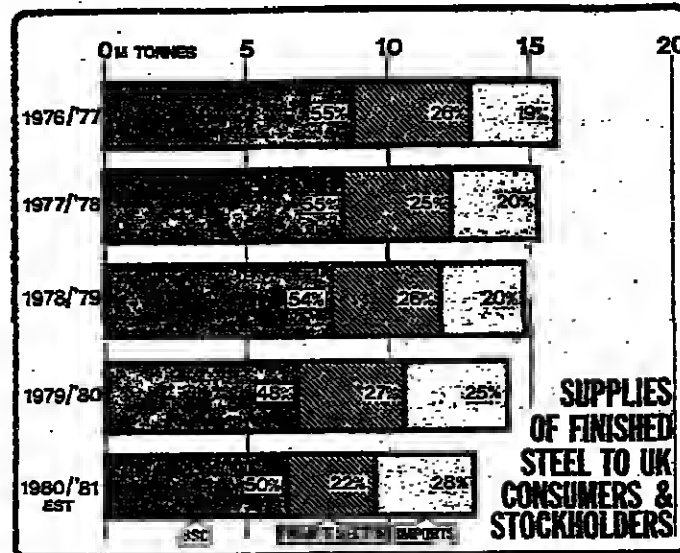
That left only BSC and Guest, Keen and Nettelfolds, and they announced in February that it had "not been possible to identify a viable basis on which to structure a joint venture."

BSC's view is that it has already cut back its engineering steel capacity by nearly 50 per cent and is left with high quality plant that is operating satisfactorily. It also wants to build up its business in the higher value added sectors.

However, the pressure on the corporation to hive off successful portions of its business grows as the three-year contract of its chairman, Mr Ian MacGregor, moves into its final year.

BSC has already succeeded in floating off one of its operations, the Southdown wire and rod mill which has been combined with GKN's section, wire and rod activities in a joint venture called Allied Steel and Wire. GKN's section, wire and rod activities had been losing heavily but the chairman of Allied now says the company should break even next month.

The creation of Allied also turned out to be the signal to Johnson and Firth Brown and



Arthur Lee that there was no future for their interests in the steel wire and rod field.

A year ago, JFB sold its Johnson and Nephew steel wire businesses to a South African company for £9m and closed its Greening Wire subsidiary. In November, Lee reduced its interest in Alloy Steel Rods, a joint venture with BSC, from 50 per cent to 20 per cent in an exchange deal that saw Lee buying BSC's 50 per cent stake in Lee Bright Bar.

### Flexibility

That leaves Allied Templeborough Rolling Mills (in which BSC has a 50 per cent stake), and two independent mini-mills, Sheerness Steel and Manchester Steel with almost all the UK wire and rod capacity.

The mini-mills, with their great operating flexibility and low overheads, contributed significantly to the unexpected growth of the private sector in the 1970s. But they have been hit hard in the past two years, not just because of depressed home markets but also because

of the emergence of mini-mills in other countries, particularly in the third world. Export markets have dried up and imports into the UK have become a serious problem.

Under the European Commission's crisis measures, the mini-mills' product range, particularly reinforcing bars, have been subjected to very severe production abatement. But at least the improvement in prices is enabling the companies to cover their costs.

Undoubtedly the weakest and hardest hit segment of the private steel sector has been special steels. According to a study carried out last year for the Bank of England, by Sir Frederick Warner, UK demand for high speed and tool steels declined steadily through the 1970s as the engineering industry stagnated.

Meanwhile, the relatively small UK producers, mostly based in Sheffield, were having increasing difficulty in meeting competition from more efficient foreign producers. The import problem has been exacerbated in the past three years by very aggressive pricing by some im-

porters and by the strength of sterling.

Imports now account for about 60 per cent of the UK market for high speed, tool and special grades of stainless steels compared to 13 per cent 10 years ago.

Warner concluded that UK capacity of about 80,000 tonnes a year was about double the foreseeable demand from UK producers and proposed further major rationalisation.

Before any deals could be organised, however, the market situation deteriorated so much—most special steels are not covered by the ECSC crisis measures—that companies had to take drastic action on their own.

Aurora Holdings, the group which tried to become the major force in the sector in the late 1970s by acquiring Samuel Osborn and Edgar Allen Refractories, has closed down five of its six sites and cut steel staff from 2,200 two years ago to 350 today.

Aurora's trading profit in steel jumped from £0.8m in 1978 to £2.2m in 1979 but then the group's steel division plunged into a £5.8m loss last year and absorbed £4.2m in closure costs.

Other companies too have taken severe measures. Sanderson Kayser, the subsidiary of GEI International, has cut its workforce from 1,100 to 547 and Neepsend has shed 540 of its 1,600 jobs.

Opinions are divided about the desirability of further consolidation. Mr Arthur Watt, managing director of Aurora, points out that the group's problems arose partly because it was unable to retain most of the business of the companies it acquired.

"Buyers of high speed and tool steels like to buy from more than one supplier."

Others wonder if that problem arose mainly because the consolidation in the sector did not go far enough. Certainly, more mergers among smaller companies in what remains of the sector seem likely, although all are now so financially weakened that it is going to be difficult to structure deals.

The special steel producers

have been lobbying vigorously to have their products brought within the controls of the ECSC crisis provisions and have succeeded in gaining the strong support of the UK Government. However, chances seem slim that all the other RC members will agree to the move next month.

The special steel sector also includes Johnson and Firth Brown although this company is almost in a category of its own, making super alloys for jet engines, aircraft landing gear and the like as well as steel rolls.

A 10-year agreement between JFB and BSC for sharing the heavy forging business came to an end last month and there has been considerable speculation about a possible joint venture along the lines of Allied Steel and Wire.

### Aggression

JFB says no talks are under way at the moment. It is obviously apprehensive that BSC will compete aggressively in the under-70 tonne market which was hitherto JFB's preserve and more profitable than the larger end held by BSC.

But JFB's own finances are so stretched at the moment because of the collapse of its aerospace business that it is in a poor position to negotiate a scheme with BSC.

However, the pressure is on in this case as in others to negotiate quickly because applications for aid from the Government's £22m scheme must be in by the end of September.

Recent Government-sponsored studies on the cold rolled narrow strip and bright bar sectors are pointing the way in rationalisations in these areas. Partly in anticipation of moves in the strip sector, Glyndwed early this month made a £20.6m agreed bid for Ductile Steels.

And now that F. H. Lloyd has agreed to reconsider participating in Lazard Brothers' rationalisation scheme for the general steel castings sector, there should be more progress in that field as well.

Ian Rodger

# PHONE W'TON 7322

for slit coil, sheets and blanks.



## DUCTILE STEEL STOCKISTS LIMITED

Planetary Road, Willenhall, West Midlands WV13 3SP

Telephone: Wolverhampton 732200 Telex 337884

London Office: Embury House, Harefield Green, Harefield, Surrey KT12 4HG  
Telephone: Watlington-Thames 44011 Telex 928228

Northern Office: 37A Bramhall Lane South, Bramhall, Cheshire SK7 2DL  
Telephone: 061 440 0055 Telex 667141

## CHURCH & BRAMHALL (STOCKHOLDERS) LTD

### STEEL SERVICE CENTRE

**STEEL:** Hot rolled, slit coil and cut lengths in as rolled or pickled and oiled condition.

**SLITTING CAPACITY:** From 20mm — 1,500mm wide 1.6mm — 6.35mm thick.

**NARROW DECOILING:** From 20mm — 760mm wide 1.6mm — 6.35mm thick.



Crescent Works, Willenhall Road,  
Darlston, Wednesbury  
Telephone: 021-526 4031  
Telex: 337182

WITHIN THE next two years, BSC should have achieved its aim of continuously casting around 50 per cent of its total output.

Once that target is reached, it will put the British steel industry among the most advanced in Europe for the application of the technique, thanks largely to more than a decade of heavy investment by the corporation.

A comparison with the Japanese, the world leaders, is less favourable. One company, Kawasaki, boasts 90 per cent continuously cast output and a number of other companies well over 50 per cent.

With no major developments in the basic techniques of steel making, continuous casting is seen by many experts as the most important single contribution to the future of the industry.

It is expected that by 1990 half the world's steel output will be continuously cast while the traditional ingot route of steelmaking will continue to decline.

During the past decade, the tonnage of steel continuously cast has increased more than tenfold but currently one-fifth of the world tonnage is produced using the technique.

The introduction of continuous casting in Britain has not been without problems. A number of consumers, particularly in the engineering sector, were nervous about the quality of steel produced using the continuous casting method. In conventional steel pro-

duction molten steel is poured into an ingot, cooled and then reheated for rolling into billets and blooms. The cooling and reheating strengthens the steel.

The continuous casting process bypasses this step, as the molten steel is poured directly and continuously into billet forms.

The need for soaking pits, ingot moulds and primary and intermediate mills is thus eliminated, less energy is used and less molten steel is wasted.

BSC believes that a lot of the initial consumer resistance to continuous casting has been overcome since technological developments have considerably improved the quality of the end product. But as one steel expert said: "A lot of people are still nervous."

Continuous casting is certainly not a new technique. Both the Germans and the Allies experimented with it during the Second World War. Britain was the first country in the world to open a commercial continuous casting plant when Barrow started up in 1952.

### Investment

Since then, the process has been regularly updated. Almost all grades of steel can now be continuously cast but the high capital cost of the machinery means that it is only an economic proposition for good quality, large volume steel production.

BSC believes its substantial investment in new machinery and research and development have kept it abreast of all the latest improvements in the field of continuous casting.

Last year it had eight slitting machines, with a total of 13 strands, an eight-strand bloomcasting machine at the Lakenby plant in Scunthorpe already in operation and more machines being installed.

BSC will make a further step forward in the application of continuous casting techniques before the end of this year when it starts production from its first machine capable of handling round sections at Stocksbridge near Sheffield.

The new machine will produce sections without bending the metal before it cools to avoid weakening the material.

The decline in BSC's financial fortunes has entailed a rapid cutback in the level of capital expenditure from £579m in 1976-77 to £185m in 1980-81 and the trend will continue downwards.

Tight cash limits mean the corporation has had to be more selective about the areas to which it invests. The rule now is that only projects which have a direct benefit on cutting costs, for example through energy conservation or improving product quality, will go ahead.

The squeeze on profit margins has undoubtedly affected the level of research and development throughout the steel industry, experts agree. But small advances continue to

be made in the area of applied computer technology, better environmental controls and wider, more versatile steels.

Experts also believe that the direct reduction technique which uses pellets of high quality iron ore, thus eliminating the initial expensive process of making pig iron, also has a future.

Its development depends very much on the price of gas—as BSC discovered at its ill-fated Hunterston project a few years ago. But for large developing countries, such as Nigeria, with considerable resources of natural gas, the direct reduction plant which does not require the immense capital expenditure of the blast furnace is bound to prove increasingly popular.

Mark Webster



- COMPREHENSIVE STEEL STOCK RANGE
- RAPID AND RELIABLE DELIVERY
- PROCESSING SERVICES

### EDWARD S. JOHNSON & COMPANY LTD.

Carlton Industrial Estate  
Barnsley, South Yorkshire  
S71 3JL  
Tel: (0226) 723994  
Telex: 537154

Other address:  
Chainbridge Road  
Blaydon, Tyne and Wear  
NE21 3SY  
Tel: (0632) 442111  
Telex: 537154

## Salem HERR-VOSS

**PROCESSING EQUIPMENT FOR THE STEEL INDUSTRY**  
COMPLETE COIL PROCESSING LINES - TENSION LEVELLERS - STRIP PROCESSING - HANDLING EQUIPMENT - STRIP JOINERS - LEVELLERS - MANIPULATORS - CLAY GUNS - TAP HOLE DRILLS - STEEL BEARING HOUSINGS

Salem HERR-VOSS Ltd, Eastgate House, Nottingham Road, Derby DE1 3TA, England.  
Tel: 0332 37 1031 Telex: 377746

## Robert Smith & Sons Ltd (Steel Plate Specialists)

SHORE ROAD, BIRKENHEAD, MERSEYSIDE

Telephone: 051-647 4221 Telex: 627345

Over 7000 tonnes of quality plate in stock, to the following standards

Lloyds Grade 'A'  
BS 4360-43A, 43C, 43E, 50B, 50D and 50E  
BS 1501-161-430A, 430A Cold Spinning Quality and 430B  
BS 1501-224-490B, L750  
BS 970-080-A42 (EN8D)  
ASTM-A516-Grade 70

We are able to meet most requirements, both large and small, from the wide range of areas available including large area plate up to 14 metres long and 3.5 metres wide. Deliveries throughout U.K. generally within 48 hours. Mill Certificates supplied automatically. Quality Assurance Procedures observed.

### FLAMECUTTERS LTD.

(Steel Plate Profilers)

26 REGENT ROAD, LIVERPOOL, MERSEYSIDE  
TELEPHONE: 051-207 1891 TELEX: 627233

'Flamecutters' provide a comprehensive service for the supply of precision cut profile components in the above qualities and

Plasma Cut Stainless Steel components to BS1501 (A240)-304L, 316L and BS1449-304L, 316L.

### GROUP AREA OFFICES

GLASGOW Tel: 041-331 2666 Telex: 777264 GATESHEAD Tel: 0632-782989 Telex: 537774 MANCHESTER Tel: 061-702 8802 Telex: 657765  
HALESOWEN, W. MIDLANDS Tel: 021-560 0141 Telex: 339205 NOTTINGHAM Tel: 0502-616615 Telex: 37683

Robert Smith & Sons Ltd and Flamecutters Ltd are member companies of the Robert Smith Group (Steels Division)



## UK STEEL AND STOCKHOLDING III

Productivity boosted  
by manpower cuts

THE WORKFORCE of the British Steel Corporation currently stands at around 100,000—less than half the total of the mid-1970s.

Even this remarkable statement does not convey the speed with which the bulk of the large manning reductions have been achieved. The 1979-80 financial year ended with 166,400 people working for BSC. By 1980-81 120,900 were employed.

The current 100,000 total is actually somewhat lower than the corporation's own expectations, partly because of the recent disposal to Trafalgar House of Redpath Dorman Long, the heavy engineering arm which has 3,200 employees. A combination of closures and manning level reductions has led to the vast bulk of the reductions in recent years as BSC has struggled to achieve internationally competitive productivity levels.

Indications are that, when the results for BSC's performance in the 1981-82 financial year, which ended in March, are published, productivity levels will be shown to have improved as remarkably

as its workforce has declined.

Productivity, measured in man hours per tonne of liquid steel produced, has risen from 14.5 in 1980-81 to 8.4 now, the figures will show. Profitable steelmaking also depends upon high capacity utilisation and the corporation has been achieving a level of around 98 per cent of manned capacity.

## Flexibility

The productivity improvements have called for more than the straightforward shedding of labour. BSC has had to achieve far greater flexibility from a workforce which once enjoyed a reputation for being strongly demarcation-conscious. Accomplishment of BSC's productivity strategy has been helped by the atmosphere of crisis in the industry during the recession and by the fact that the corporation has been able to offer relatively generous redundancy terms.

The most important element has however been BSC's success in shifting pay negotiations from national to plant

level and making local pay increases dependent upon the achievement of productivity improvements.

The largest steel union, the Iron and Steel Trades Confederation, threatened an overtime ban when the corporation indicated it could make no national-level pay offer this winter. Subsequently the ISTC withdrew.

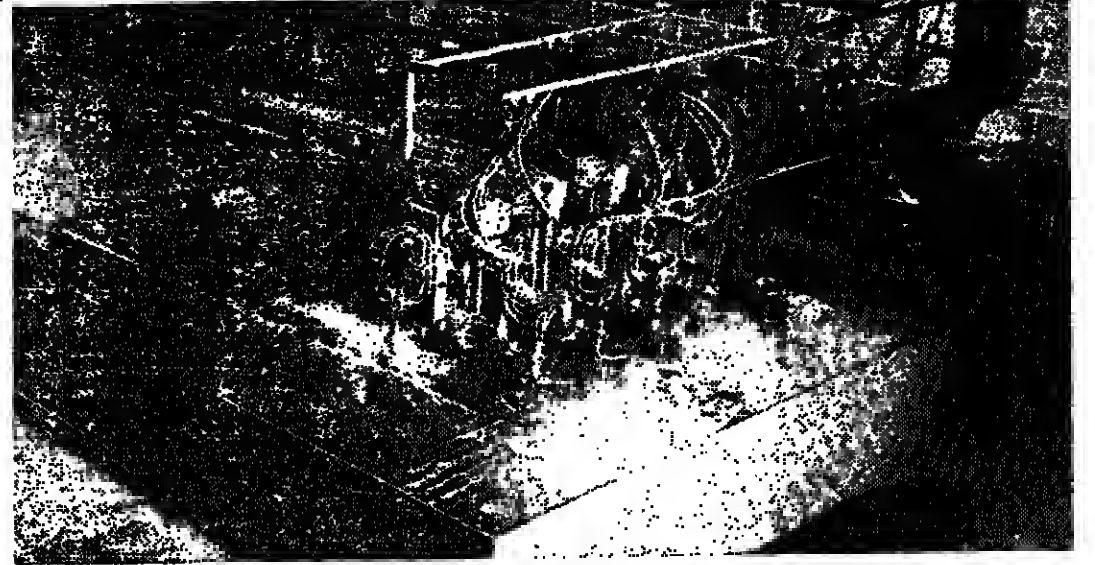
Under a formula agreed between the two sides an element of locally negotiated productivity bonuses may be consolidated into basic earnings during the second half of this year, if the productivity improvements are considered to be permanent.

But, although the productivity levels of BSC's most efficient plants are now up to good international standards, the corporation is chasing a moving target. This means that the drive to reduce manning levels and improve working practices will not come to an end. Today's 100,000 workforce can be expected to be closer to 90,000 by the middle of this year.

The review of manning is be-



Left: a woman in a man's world—Mrs Lydia Skinner, managing director of RDM Metal Services Centres, specialists in stockholding steel and aluminium. Right: a special water table—designed to allow steel to be profiled more accurately—at the GKN steelstock profiling division in Bristol



ing concentrated not only on the direct production areas—which took the bulk of the early cuts—but among maintenance and staff workers.

Maintenance consumes a considerably higher proportion of total labour costs in some plants than others. On the white-collar side all aspects of the corporation's activities—including the management structure—are being examined for further economies.

No precise, ideal manning complement to produce BSC's 14.4m tonnes capacity has been identified but Mr Ian MacGregor, the chairman, has pointed out that, for example,

the Steel Company of Canada has a capacity of 21m tonnes and a workforce of 62,000.

BSC's redundancy and closure payments for 1981-82 are expected to total £200m. But, in spite of these payments to individuals, the cost to communities where large numbers of steel jobs have disappeared has been great. Former steel areas are now struggling to cope with some of the most serious unemployment problems in the country.

BSC Industry, a corporation subsidiary, is actively involved with other agencies in trying to attract employment to declining steel areas.

It operates in a dozen locations in England, Scotland and Wales and between April 1978 and the end of last year it helped 900 businesses start up, develop or relocate in steel towns.

An important feature of BSC Industry's work has been the provision of sets of small, flexible workshops developed on redundant steelworks sites, sometimes enabling ex-steelworkers to start businesses.

Today there are workshops at Port Talbot, Cardiff, Newport, Blaenau Gwent, Corby, Scunthorpe, Wokingham, Hartlepool, Consett and Glasgow.

In a report published last month BSC Industry said that, at the seven workshop complexes operating at the end of last year, a total of 198 units were occupied by 162 companies employing 757 people. A further 16 companies—with 92 employees—had expanded to new premises outside the workshops, while in the three years to December 1981, 30 tenants with 66 employees had decided against carrying on.

In addition to the slowdown of the nuclear programme, sales have suffered from increases in imports of all sorts of stainless products, from kettles to ash trays.

Prices have been weak, fall-

Stainless steel expansion  
matures at a bad time

WHEN British Steel Corporation embarked on an ambitious £140m expansion of its stainless steel production capacity at Sheffield in 1974 the outlook was bright.

A big nuclear power programme was in prospect and there was the promise of bringing per capita consumption levels up to the much higher levels in other major industrialised countries.

BSC's capacity was to be more than doubled to 220,000 tonnes and the corporation aimed at increasing its UK market share from two-thirds to three-quarters.

However, in the past two years, as the spending programme came to an end, both the market and BSC's overall share have shrunk drastically.

UK consumption last year was about 120,000 tonnes, down about 25 per cent from 1979, and BSC's overall share is now slightly less than half. The corporation acknowledges that its stainless business has not been profitable for the past few years.

In addition to the slowdown of the nuclear programme, sales have suffered from increases in imports of all sorts of stainless products, from kettles to ash trays.

Prices have been weak, fall-

ing some 25 per cent between early 1980 and mid-1981. Since the imposition of the European Commission crisis measures, there has been a 10 per cent rise and another 3 per cent is scheduled for the beginning of next month.

At the time of its expansion, BSC organised an aligned stockholder scheme under which six leading stockholders would receive the product on advantageous terms in return for buying 80 per cent of their requirements from the corporation.

## 'Inner circle'

Stock holders play an unusually important role in stainless markets, accounting for about 60 per cent of deliveries. This is because customers, notably in the process plant area, often need product urgently for repairs.

At first, the so-called 'inner circle' scheme didn't work well because BSC did not have a wide enough product range to satisfy the large stockholders. Later it became less relevant as the number of stockholders carrying stainless increased and so it was dropped.

With one or two minor exceptions, BSC now has a full product line and is aiming to convince all stockholders that it can be a reliable and com-

prehensive supplier. However, after the 1980 steel strike, stockholders remain wary and are continuing to buy from traditional European and other foreign suppliers.

The largest segment of the stainless market is cold rolled sheet and strip, which goes into a wide variety of consumer durable products, heating and ventilating ducts and building products. BSC supplies about 45 per cent of the 80,000 tonnes a year consumed in the UK. Stockholders noted a distinct downward dip in demand at the beginning of the second quarter this year, reflecting, they suspect, a drop in consumer spending.

The corporation's position is much stronger in hot rolled plate—about 70 per cent of the 30,000 tonnes a year consumed—but demand from the nuclear, food and brewing industries is still depressed.

Heavy import penetration and dwindling demand from the engineering industries in the past few years virtually eliminated British sources of commercial grades of stainless bar. But BSC decided last year to meet the stiff price competition and has clawed back about 10 per cent of the 20,000 tonne market.

I. R.

Construction activity still depressed but restocking and advance orders lift consumption

## Structural sections demand improves

UK DEMAND for steel structural sections has strengthened in recent months but this has been attributed largely to some restocking and, in particular, to orders placed in advance of last January's price increases.

Construction activity, which is the main outlet for these products, remains very depressed and is still not showing the signs of recovery that many forecasters expected.

Total orders received by contractors in the three months to January were 3 per cent lower than in the previous three months and 4 per cent lower than a year earlier. Construction activity was down 10 per

cent last year after a similar fall in 1980.

Consumption of light sections was down 19 per cent in 1980 and a further 12 per cent last year to 242,000 tons while flat bars consumption fell 28 per cent in 1980 and 8 per cent last year to 281,000 tons.

Allied Steel and Wire, the joint venture set up last summer by British Steel Corporation and Guest, Keen and Nettlefolds, is now the largest private sector supplier of light sections. It describes market conditions as "extremely difficult."

Producers confirm that they have been under heavy attack from importers. In angles and

channels, imports accounted for nearly a third of consumption last year while the importers' share of flats bars was about 20 per cent.

## Price discipline

The imposition of price discipline measures by the European Community last summer has cleared the way for some improvement in prices. Only those stockholders that sell more than 12,000 tonnes of Treaty of Paris products per year are required to publish their prices, but all members of the general list group of the National Association of Steel Stockholders have agreed to follow this procedure.

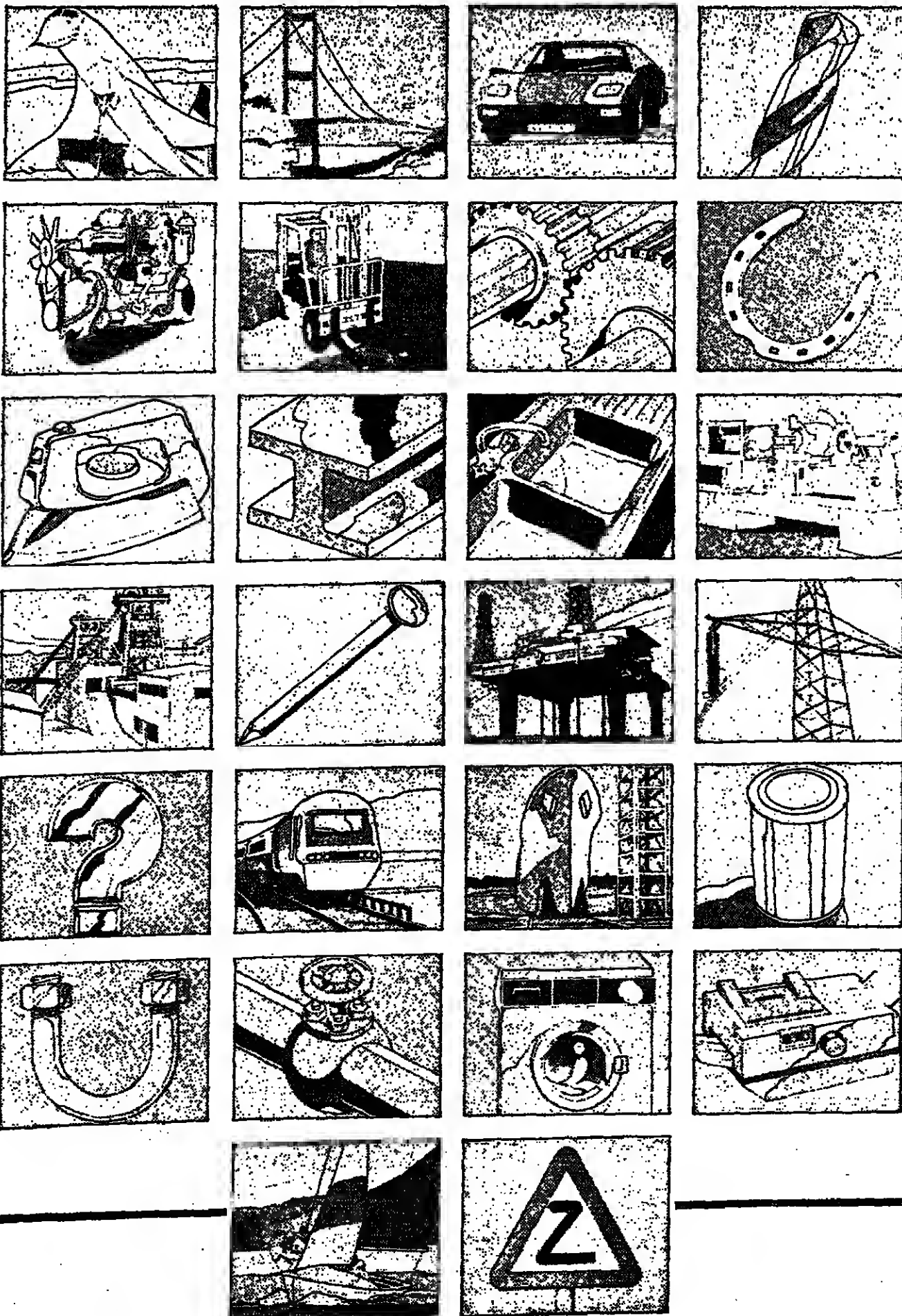
Nevertheless, the high level of imports in this sector has made it difficult to maintain price discipline. The 10 per cent price rise at the beginning of the year, for example, has been knocked back to 5 per cent.

In heavy sections, where BSC is the only home supplier, sluggish domestic demand has been largely compensated by a strong export performance.

Exports account for about a quarter of BSC's section sales and have been boosted in the past year by a £55m contract for structural steel for the new headquarters of the Hongkong and Shanghai Bank and two contracts worth \$32m for the Seoul metro.

Ian Rodger

Alan Pike



BRITISH  
**STEEL SERVICE**  
CENTRES LIMITED

Steel buying  
from  
A-to-Z

Whatever you make, wherever you make it, you're never far away from a BSSC Steel Stockholder. Whether it's a straightforward mild steel product or a highly specialised material you're after, one of our divisions will be able to help—and fast. So to get what you need, just get in touch—and get on better terms with BSSC.

**LYE SPENCER STEEL SERVICES**  
Mild Steel Strip Mill Products  
Headquarters: LYE (035 482) 4151 also at  
GLASGOW, LEEDS, GATESHEAD,  
WOLVERHAMPTON, SOUTHALL and NEWPORT  
**GENERAL STEELS SERVICES**  
Plates, Sections and Bars Headquarters:  
OLDBURY 021-552 5424  
Hall Brothers Steel Services  
OLDBURY  
Donlop & Ranken Steel Services  
LEEDS, COATBRIDGE and GATESHEAD  
Graham Wood Steel Services  
HOUNSLOW, MILLWALL, BATH and EVANTON  
John Lee Steel Services  
GRANTHAM  
Fleet Steel Services  
CLECKHEATON and GRANTHAM  
General Steels Distribution  
LEEDS, WOLVERHAMPTON and COATBRIDGE  
Buildex Steel & Materials  
SMALL DOLE  
General Steels Services  
NEWPORT  
HERRINGSHAW STEEL SERVICES  
Mild Steel, Carbon and Alloy Bars in Black &  
Bright Condition  
Headquarters: SALFORD 021-327 3511/3666 also

at BRISTOL, WOLVERHAMPTON, HYDE, GLASGOW  
and LEEDS  
**COMINGS COATED STEELS**  
Aluminium Coated, Steelplate, Coilcoated and  
Tinplate (in 50lb Coil form)  
Headquarters: OLDBURY 021-552 4022 also at  
BOLTON, WORKINGHAM and GLASGOW  
**ALFRED SIMPSON**  
Stainless Steel Plate, Sheet, Strip, Bars, Tubes &  
Fittings  
Headquarters: SWINTON 061-794 4777 also at  
BELL SHILL, DUDLEY and WEST DRAYTON  
**QUALITY ASSURED STEEL SERVICES**  
Steel to the highest Quality Assured standards  
LEEDS (0532) 795541  
**LYE TIN PLATE**  
Tinplate, Hi-Top and Blackplate SWANSEA  
(0792) 882641  
**EXPORT STEEL SERVICES**  
Stockholder Quantity Orders in the Export  
Markets over the whole range of Steel  
Products LEEDS (0532) 795541

**British Steel Service Centres Limited**  
Whitehall House, Whitehall Road,  
Halesowen, West Midlands B63 3UE  
Telephone: 021-550 9221 Telex: 336884/2





## UK STEEL AND STOCKHOLDING IV

## Flat-rolled sector in export drive

WHILE ALL sectors of the steel industry have felt the icy winds of the recession, flat rolled products have probably been shivering more than any other.

BSC recognised in the 70s that it had far too much capacity considering the disastrous fall in orders from the automotive industry and engineering. As a result it closed the flat rolling mills at Ebbw Vale and Shotton and halved the work forces at the remaining three strip mills in Ravenscraig, Port Talbot and Llanwern.

The BSC Corporate Plan proposed that the three strip mills should keep a manned capacity of 5.5m tonnes of liquid steel a year, linked to improved cost performance and selling price.

The corporation says it achieved a "dramatic improvement" in productivity at the mills as a result of the cuts. For the past few months all three have been running "flat out" on the new manning levels

though they are well below their nominal installed capacity.

BSC still has a long way to go, however, if it is to recapture its market share of the early seventies both at home and abroad.

Imports now account for nearly half the total domestic consumption of flat rolled products. BSC says this is partly a reflection of price and partly a reflection of the desire by British industrialists to buy products from more than one source.

## Improvement

To win back some of the ground it lost in Europe during the 1980 strike, BSC launched a major export drive. It claims success despite the weak prices set by European competitors.

The corporation's annual report for 1980-81 pointed out that the BSC Strip Products Group, comprising BSC Strip Mill Products, BSC Tinplate and

BSC Associated Products Group, showed a steady improvement in its financial performance during the second half of the financial year despite difficult trading conditions.

Full time working at the three integrated strip mills has enabled the corporation to maintain a consistent production rhythm and consolidate the gains from increased productivity.

At Llanwern, the number of man hours required to produce a tonne of liquid steel was cut from around 8 before the steel strike to 4.6. At Port Talbot the average is now 5.7 man hours for a tonne of liquid steel.

The recession has affected the markets for hot rolled and cold rolled products. Sales of galvanised sheet have increased slightly and the tinplate market generally recovered substantially last year after a disastrous fall-off in 1980.

Mark Webster

## UK FINISHED STEEL PRODUCTION\*

	1978	1979	1980	1981
Rods and bars for reinforcement	19.9	18.9	13.6	12.4
Wire rods and other rods and bars in coil	22.9	24.2	19.2	22.1
Hot rolled bars in lengths	30.9	31.5	20.3	19.6
Bright steel bars	10.0	9.3	6.8	6.2
Light sections other than rails	6.0	6.3	5.1	4.6
Heavy and light rails and accessories	4.5	4.9	2.4	4.1
Other heavy sections	26.7	26.7	25.7	35.0
Hot rolled plate and sheet in coil and in lengths	126.6	140.9	71.8	114.4
Cold rolled plate and sheet in coil and in lengths	71.8	74.0	36.0	58.1
Hot rolled strip (rolled as such)	21.8	21.4	8.0	4.7
Cold rolled strip (rolled as such)	6.7	8.2	5.9	5.6
Tinplate	21.7	21.3	11.5	16.6
Zinc coated	12.8	16.2	9.0	13.1
Other coated	2.5	2.7	1.7	2.7
Tubes and pipes	26.3	26.4	18.0	22.1
Tyres, wheels, axles and rolled rings	1.1	1.1	1.0	1.1
Forgings	1.8	1.6	1.3	1.2
Castings	3.9	3.7	3.3	2.7

\* Weekly averages.

Source: Iron and Steel Statistics Bureau.



A 4 STAND cold reduction mill in the BSC Llanwern strip mill. The number of man hours required to produce a tonne of liquid steel at the plant has been cut to nearly a half since the steel strike.

and there is considerable additional capacity coming on stream in many countries for making the large gauge pipe for the oil industry.

However there is still a feeling among British manufacturers that, provided competition remains fair, they have a future in the world market.

Tube Investments, for example, believes it can maintain healthy sales to the U.S. despite the end of the boom by relying on its reputation for quality.

In the longer term, the ghost of overcapacity will continue to haunt tube makers.

M. W.

## Revived stockholders predict recovery

BRITAIN'S steel stockholders have bounced back quickly from the ravages of price cutting and destocking in 1980 and early 1981.

The price increases of last autumn and winter on most products created instant stock profits and, so far, a sustained improvement in margins. As a result, the feared major shake out of weaker companies has not occurred.

While underlying demand for steel still does not seem to be increasing, the stockholders believe customer destocking has ended and they look forward to some recovery of ordering in the autumn.

They are also relieved that last year's tension with the British Steel Corporation over marketing tactics has evaporated.

Among the leading companies, including BSC's stockholding subsidiary, British Steel Service Centres, the main concern these days, apart from demand, is that weaker companies are undermining margins in search of volume.

Last summer, when stockholders were brought within the group of companies subjected to the European Commission's crisis measures, the requirement to publish and adhere to price lists was imposed only on companies that delivered in excess of 12,000 tonnes a year.

## Undercutting

About 60 per cent of UK sales by stockholders are covered by this requirement. Mr Norman Richards, chairman of GKN Steelstock, said the smaller companies have had a great time undercutting the big stockholders' prices.

The National Association of Steel Stockholders, whose 250 members account for about 85 per cent of the steel handled by stockholders, has been supporting moves to lower the level of sales at which a company will be required to publish its prices.

It is now expected that the European Commission will drop the floor shortly to 6,000 tonnes and to 3,000 tonnes for special steels.

Mr Richard Rawlings, director of NASS, estimated that this would extend coverage to about

## UK FINISHED STEEL\*

Estimated consumption in terms of crude steel equivalent ('000 tonnes)

Period	Crude steel production	Total	Imports	Exports	Estimated home consumption
1977	392.5	397.8	93.9	107.6	394.7
1978	390.6	400.0	92.2	107.1	395.1
1979	412.5	409.8	95.1	111.6	387.6
1980	216.5	240.0	117.1	66.2	307.0
1981	293.8	298.8	—	—	—

\* Weekly averages. † Including stock changes.

Source: Iron and Steel Statistics Bureau.

80 per cent of UK sales by stockholders. Some companies, including BSC, would prefer to see the European Commission's disciplinary measures applied to all stockholders, although it is acknowledged that surveillance and even identification would be difficult.

A year ago Mr Ian MacGregor, the BSC chairman, startled the stockholding industry by saying that as the corporation became more efficient, it would be able to deal directly with customers who might otherwise buy from stockholders.

"I know the philosophy," Mr Richards of GKN said. "It is called desperation."

The stockholders responded by threatening to buy a larger portion of their steel from foreign producers. They also reiterated a long held fear that BSC was engaging in unfair competition by selling steel at preferential prices to BSSC.

Since then it has become clear—through published price lists—that BSC is not giving BSSC preferential terms. Mr Rawlings claims that the stockholders have increased their share of UK deliveries to over 50 per cent in the past two years.

On the other hand BSC reports it has recovered its 54 per cent UK market share and the stockholders agree that they are taking more UK-made steel. So everyone is pleased.

The corporation has also stuck to its 1974 undertaking that BSSC would not by acquisition take more than a 15 per cent share of the stockholding market.

The group's share is esti-

mated even after the £2m acquisition of Glynwed's general steel stockholding business in South Wales in April, at 12 to 13 per cent. BSSC says it has no further acquisition plans at the moment.

However, BSC's agreement to limit its stockholding share to 15 per cent was made at a time when the corporation's overall share of the British market was about 70 per cent. Having lost a significant portion of that share in the past few years, it might take the view that a larger share in stockholding would be sensible.

## Optimistic

BSSC, which lost £7m before tax in 1980-81, has returned to profit in the past year and is said to be making a 10 per cent return on capital. It has also been incorporated as a separate company and the possibility of bringing in outside equity capital has been raised, although BSC would almost certainly want to retain control of a stockholder that buys 97 per cent of its steel from its parent.

The stockholders seem fairly optimistic about the outlook. Mr Rawlings forecasts that over the next year the volume of steel handled by stockholders could rise by up to 6 per cent.

Margins, which were almost non-existent a year ago, have gained about 20 per cent, he believes. But demand remains weak and, because of substantial overcapacity, any recovery depends largely on price discipline being sustained, particularly among producers.

## Tubemakers seek to avert price war

LAST YEAR'S boom in demand for pipes by the U.S. oil industry made it an extraordinary 12 months for suppliers throughout Europe. But the rapid collapse of the market at the start of this year has left manufacturers with the uncomfortable realisation that the considerable excess capacity is about to be exacerbated by the commissioning of several new plants.

It was the increasing attractiveness to investors of oil exploration following price de-regulation which created the U.S. boom last year. Frantic pipe buying throughout Europe and elsewhere meant that the U.S. doubled its stocks and prices went up by as much as 60 per cent.

European producers, faced with sluggish demand at home,

were quick to exploit the opportunities in the U.S. However, the falling price of crude late last year, eroded the margins which had made exploration so attractive. At the same time, it became apparent that the U.S. market was heavily overstocked.

## Competition

Since the start of this year, U.S. suppliers have been anxious to de-stock and bring their own inventories in line with falling demand. In Europe, no new outlets have emerged and fierce competition has started between manufacturers.

British tube makers say the windfall of the U.S. boom simply hid the fact that Europe still suffers from overcapacity. Some manufacturers believe

the Italians have already started unloading tubes at lower than commercial prices, pushing imported steel tubes above their usual 20 per cent of the UK market.

British companies fear a price war could soon start as companies try to maintain the volume of their sales.

There is little comfort for tube makers in other sectors of the market. Demand from the engineering industry has been depressed and the construction industry, which is a big consumer of low pressure pipes for ventilation and heating, has also been in the doldrums.

The outlook for tubes both big and small is as gloomy as it was before the U.S. boom. UK demand is poor, imports into the country are growing

The RDM way means not keeping customers waiting.

So RDM hold extensive stocks of stainless steel and aluminium at every RDM Metal Service Centre—in sheet, plate, bar, tubing, extrusions and a complete range of stainless steel fasteners.

When you phone RDM, they swing into action—faster.

Inside 5 seconds (and ring any RDM Metal Service Centre now, if you don't believe it) you're through to a specially trained metals expert, working at a communications console that gives the stock positions throughout the RDM national network.

That's the RDM way of supplying special types and sizes—and getting them to you faster.

The latest handling equipment processes your order—faster—and it's on the road faster too.

Remember there is an RDM Metal Service Centre within 2 hours drive of most major industrial centres.

And that each RDM Metal Service Centre has its own transport. And its own staff, its own invoicing, its own Chief Executive to help you plan the most economical delivery schedules.

That's why RDM are one of Britain's fastest growing stockholder networks. They know that service matters.

When RDM say service, RDM mean business. Just pick up the phone and talk to Lydia Skinner, Managing Director, at Central Marketing Services, or the Chief Executive at any RDM Service Centre shown below, and they'll prove it.

Faster—the RDM way.

RDM Central Marketing Services, Unit 3, Ridgeway Industrial Estate, Iwer, Bucks SL0 9HX Telephone: Iwer (0753) 653972 Telex: 848634

Members of the Ravensdown Group of Companies Limited



**RDM**  
Metal Service Centres  
THE SPECIALISTS IN STAINLESS STEEL & ALUMINIUM

# FOR FASTER STAINLESS AND ALUMINIUM, TAKE THE RDM WAY.



## NATIONWIDE SERVICE

RDM Metals (UK) Ltd.  
Iwer (0753) 654654 U. P. D. (Vat)  
RDM Metals (Anglia) Ltd.  
01-301 953111 (N. Grevygoose)  
RDM Metals (East Midlands) Ltd.  
Derby (0332) 364531 (R. L. Bennett)  
RDM Metals (Hampshire) Ltd.  
Southampton (0703) 860111 (D. L. Halliwell)  
RDM Metals (London) Ltd.

RDM Metals (South Western) Ltd.  
Bristol (0272) 713333 (L. Johnson)  
RDM Metals (North Eastern) Ltd.  
Leeds (0532) 439823 (M. W. R. Bell)  
RDM Metals (West Midlands) Ltd.  
Birmingham (021) 622 3225 (D. Quinn)  
RDM Metals (Scotland) Ltd.  
Dundee (0382) 805411 (R. Hunter)  
Brookwood Stainless Fasteners.  
Iwer (0753) 854654 (2. L. Halliwell)



0753 654654



# Uncle Vanya

by MICHAEL COVENEY

# Stravinsky Celebration

by DAVID MURRAY

The particular success of the evening was General, even un-  
planned. One of the cimbaloms  
was welcomed back, and Carewe  
had a splendid hand of players  
with him. The score snapped  
and tumbled, between the rendi-  
tions of the cheerfully ferocious  
little March that opens and  
closes the work. The singing  
was superb. The soloists, Harry  
McNeil and Ian Caley with great  
dramatic relish, excellently  
supported by Henry Herford  
and Richard Wigmore. One isn't  
likely to hear a better perfor-  
mance, nor a more communicative  
one, though one might say that  
the music is a little too un-  
familiar. Such unlooked-for  
treasures do seem to crop up  
in the KBF schedule, constantly  
in hazard though it may be.

The particular success of the evening was General, even un-  
planned. One of the cimbaloms  
was welcomed back, and Carewe  
had a splendid hand of players  
with him. The score snapped  
and tumbled, between the rendi-  
tions of the cheerfully ferocious  
little March that opens and  
closes the work. The singing  
was superb. The soloists, Harry  
McNeil and Ian Caley with great  
dramatic relish, excellently  
supported by Henry Herford  
and Richard Wigmore. One isn't  
likely to hear a better perfor-  
mance, nor a more communicative  
one, though one might say that  
the music is a little too un-  
familiar. Such unlooked-for  
treasures do seem to crop up  
in the KBF schedule, constantly  
in hazard though it may be.

**Elisabeth Söderström in Katya Kabanova and Renato Bruson in Simon Boccanegra**

# Katya Kabanova

The Cardiff revival confronts this fascinating Katya with a brilliant and daring choice of Kabanicha, at the same time returning to the British stage after a long absence one of the major performers of post-war

leashed. Dennis Bailey's Boris, not beautifully but passionately voiced, cuts a striking figure in the play. The younger, more ethereally delightful couple are played by Arthur Davison and Cynthia Buchan (sole survivor of the Glasgow cast) and David Gwynne tears with appetite into the exaggerations of behaviour worked up for Dikoj—however one might measure the performance as a whole, for the thoughtful and finely alert character of its ensemble acting there could be only praise. Praise, too, for Mr Armstrong's conducting of an orchestra keyed up to its most responsive form: if much of the singing and playing, in the "closed" acoustics of the New Theatre, was due for the most part to acts on unvaried forcefulness, the marvellous freedom of Janacek's laconically lyrical invention came through with new freshness.

**MAX LOPPERT**

# MacMillan Ballets

by CLEMENT CRISP

ance looks the younger Christopher Gable, and though it makes something of the hero's physical urgency in the first scenes, he seems, by the dancing lesson, to be playing with an almost intrusive rightness. The duet with the Wife is a portrait of awakening feeling: the last meeting with the girl wonderfully judged in tenderness. Powered by four such performances, *The Invitation* grinned as it always has.

New to London were Galina

The company give an alert reading of the work, as they do of *Elite Syncopeans*, which they may now claim to have made their own. Their manner is less slickly brilliant than that of the *Opera House troupe*, but liveliness and charm—and especially Cheeca Williams and Alain Dubreuil, Christine Aitken and Carl Myers, in their various duets—bring their own happy rewards.

# Uchida's Mozart

by DOMINIC GILL

ing with such freshness and authority. The playing, as it turns out, in technique and spirit is almost ideally suited to the subject: expressively without ever being prettified, exciting without being overblown, marvelously concentrated but not pedantic. She began with three of the six sonatas composed in Munich in 1775, seeking out in each its peculiar character—the powerful K280 in F major, around its adagio centre (perhaps the most strikingly and

[illegible]

\_\_\_\_\_

She ended this first programme—her list is not chronological—with the later *Sinfonia in B flat K333* (dated by the latest evidence as a contemporary work of the Linz symphony around 1784), whose grand and easy shaped with simple eloquence, even as was the fine distillation of gesture and colour, and caught with splendid agility the grand orchestral scale, the glitter as well as the tender lyricism, of the finale. No one who loves Mozart, and who loves the piano, should fail to take in as much of this series as they can.

## Munnings stays in favour

by ANTONY THORNCROFT

However, Munnings always remains in fashion, his "The Devon and Somerset Hounds" making £19,800. The same price acquired "Reverie" by Dickert. "A woman in the fields" by Sir George Clausen was sent for sale by the Westminster City Council and realised £14,850, and a portrait of the Emir Faisal by Sir Wil-

Among the paintings which failed to find buyers were a portrait of Miss Lily Ireland by Augustus John; "Sacred Love," an important work by Isaac Rosenberg; and other paintings

A record auction price for a noilid of £3,000 was paid at Phillips yesterday for a lid entitled "The Spanish Lady." It was sold by a Midlands dealer who acquired it in a 'job lot' and had little idea of its value. The last furniture sale to be held by Sotheby's at its Belgrave saleroom before it moves

all its activities to Bond Street totalled £32,855. The top price was the £1,210 for a papier-macé side cabinet of around 1850. Sotheby's has now followed the Christie's practice of adding the 10 per cent buyers premium to its announced prices. However, VAT on the premium has to be paid on top of the reported prices.

A second edition of Holinshead's "Chronicles," the source for many of Shakespeare's historical plays, sold for £10,800 at Christie's yesterday to the London dealer Maggs. The vendor had bought it six months ago for £240. A four, 1685, edition of Shakespeare made £3,240 and a 1632 second folio £3,024. A first edition of "The Faerie Queene" by Spenser went to a Londoner for £2,000.

CAMBRIDGE, CC 81-838 1408/0056/  
7848. SUSANNAH YORK. 7DM 8ELL.  
7DM BAKER, RALPH BATES. PAULA

[illegible][illegible][illegible]

**CCARILLI, JACQ** 4396 C. CC 379 6566.  
 1953. 1954. 1955. 1956. 1957. 1958. 1959.  
 1960. 1961. 1962. 1963. 1964. 1965. 1966.  
 1967. 1968. 1969. 1970. 1971. 1972. 1973.  
 1974. 1975. 1976. 1977. 1978. 1979. 1980.  
 1981. 1982. 1983. 1984. 1985. 1986. 1987.  
 1988. 1989. 1990. 1991. 1992. 1993. 1994.  
 1995. 1996. 1997. 1998. 1999. 2000. 2001.  
 2002. 2003. 2004. 2005. 2006. 2007. 2008.  
 2009. 2010. 2011. 2012. 2013. 2014. 2015.  
 2016. 2017. 2018. 2019. 2020. 2021. 2022.  
 2023. 2024. 2025. 2026. 2027. 2028. 2029.  
 2030. 2031. 2032. 2033. 2034. 2035. 2036.  
 2037. 2038. 2039. 2040. 2041. 2042. 2043.  
 2044. 2045. 2046. 2047. 2048. 2049. 2050.  
 2051. 2052. 2053. 2054. 2055. 2056. 2057.  
 2058. 2059. 2060. 2061. 2062. 2063. 2064.  
 2065. 2066. 2067. 2068. 2069. 2070. 2071.  
 2072. 2073. 2074. 2075. 2076. 2077. 2078.  
 2079. 2080. 2081. 2082. 2083. 2084. 2085.  
 2086. 2087. 2088. 2089. 2090. 2091. 2092.  
 2093. 2094. 2095. 2096. 2097. 2098. 2099.  
 2100. 2101. 2102. 2103. 2104. 2105. 2106.  
 2107. 2108. 2109. 2110. 2111. 2112. 2113.  
 2114. 2115. 2116. 2117. 2118. 2119. 2120.  
 2121. 2122. 2123. 2124. 2125. 2126. 2127.  
 2128. 2129. 2130. 2131. 2132. 2133. 2134.  
 2135. 2136. 2137. 2138. 2139. 2140. 2141.  
 2142. 2143. 2144. 2145. 2146. 2147. 2148.  
 2149. 2150. 2151. 2152. 2153. 2154. 2155.  
 2156. 2157. 2158. 2159. 2160. 2161. 2162.  
 2163. 2164. 2165. 2166. 2167. 2168. 2169.  
 2170. 2171. 2172. 2173. 2174. 2175. 2176.  
 2177. 2178. 2179. 2180. 2181. 2182. 2183.  
 2184. 2185. 2186. 2187. 2188. 2189. 2190.  
 2191. 2192. 2193. 2194. 2195. 2196. 2197.  
 2198. 2199. 2200. 2201. 2202. 2203. 2204.  
 2205. 2206. 2207. 2208. 2209. 2210. 2211.  
 2212. 2213. 2214. 2215. 2216. 2217. 2218.  
 2219. 2220. 2221. 2222. 2223. 2224. 2225.  
 2226. 2227. 2228. 2229. 2230. 2231. 2232.  
 2233. 2234. 2235. 2236. 2237. 2238. 2239.  
 2240. 2241. 2242. 2243. 2244. 2245. 2246.  
 2247. 2248. 2249. 2250. 2251. 2252. 2253.  
 2254. 2255. 2256. 2257. 2258. 2259. 2260.  
 2261. 2262. 2263. 2264. 2265. 2266. 2267.  
 2268. 2269. 2270. 2271. 2272. 2273. 2274.  
 2275. 2276. 2277. 2278. 2279. 2280. 2281.  
 2282. 2283. 2284. 2285. 2286. 2287. 2288.  
 2289. 2290. 2291. 2292. 2293. 2294. 2295.  
 2296. 2297. 2298. 2299. 2300. 2301. 2302.  
 2303. 2304. 2305. 2306. 2307. 2308. 2309.  
 2310. 2311. 2312. 2313. 2314. 2315. 2316.  
 2317. 2318. 2319. 2320. 2321. 2322. 2323.  
 2324. 2325. 2326. 2327. 2328. 2329. 2330.  
 2331. 2332. 2333. 2334. 2335. 2336. 2337.  
 2338. 2339. 2340. 2341. 2342. 2343. 2344.  
 2345. 2346. 2347. 2348. 2349. 2350. 2351.  
 2352. 2353. 2354. 2355. 2356. 2357. 2358.  
 2359. 2360. 2361. 2362. 2363. 2364. 2365.  
 2366. 2367. 2368. 2369. 2370. 2371. 2372.  
 2373. 2374. 2375. 2376. 2377. 2378. 2379.  
 2380. 2381. 2382. 2383. 2384. 2385. 2386.  
 2387. 2388. 2389. 2390. 2391. 2392. 2393.  
 2394. 2395. 2396. 2397. 2398. 2399. 2400.  
 2401. 2402. 2403. 2404. 2405. 2406. 2407.  
 2408. 2409. 2410. 2411. 2412. 2413. 2414.  
 2415. 2416. 2417. 2418. 2419. 2420. 2421.  
 2422. 2423. 2424. 2425. 2426. 2427. 2428.  
 2429. 2430. 2431. 2432. 2433. 2434. 2435.  
 2436. 2437. 2438. 2439. 2440. 2441. 2442.  
 2443. 2444. 2445. 2446. 2447. 2448. 2449.  
 2450. 2451. 2452. 2453. 2454. 2455. 2456.  
 2457. 2458. 2459. 2460. 2461. 2462. 2463.  
 2464. 2465. 2466. 2467. 2468. 2469. 2470.  
 2471. 2472. 2473. 2474. 2475. 2476. 2477.  
 2478. 2479. 2480. 2481. 2482. 2483. 2484.  
 2485. 2486. 2487. 2488. 2489. 2490. 2491.  
 2492. 2493. 2494. 2495. 2496. 2497. 2498.  
 2499. 2500. 2501. 2502. 2503. 2504. 2505.  
 2506. 2507. 2508. 2509. 2510. 2511. 2512.  
 2513. 2514. 2515. 2516. 2517. 2518. 2519.  
 2520. 2521. 2522. 2523. 2524. 2525. 2526.  
 2527. 2528. 2529. 2530. 2531. 2532. 2533.  
 2534. 2535. 2536. 2537. 2538. 2539. 2540.  
 2541. 2542. 2543. 2544. 2545. 2546. 2547.  
 2548. 2549. 2550. 2551. 2552. 2553. 2554.  
 2555. 2556. 2557. 2558. 2559. 2560. 2561.  
 2562. 2563. 2564. 2565. 2566. 2567. 2568.  
 2569. 257

[illegible]

One enters the church to give service (8)  
 "The quality of mercy is not ——" (MoV) (8)  
 A hot drink, for example, gets a medal in return (8)  
 What a fool to call with a bird (8)  
 Here is the plot—it is all wrapped up (6)  
**DOWN**  
 Time the communist cherished (8)  
 The fruit of invasion (8)  
 Good fellows left aboard (6)  
 Irritates, we hear, the air-  
 craftmen (4)  
 He does not miss much of the game (8)  
 Keep the Siamese in the study (6)  
 Casual money order (6)

30									
1	Ask me in for the pictures								
2	(7)								
3	Little by little after infor-								
4	mation that is comprehen-								
5	sion (7)								
6	The girl to enchant a Scot								
7	(8)								
8	I'd get up with a pick-me-								
9	up to scale (8)								
10	"What woeful stuff this —								
11	would be" (Pope) (8)								
12	Felix out of bed—what								
13	sauce! (6)								
14	He's in the cart—it means								
15	punishment to take it (3, 3)								
16	Unruly member from Rome								
17	(6)								

27 Mother gets to be tribune  
(4)  
Solution to puzzle No. 4875

A	P	P	L	E	S					P	E	A	R	S
S	A	I	A	U	E	G	H							
C	A	C	H	E	M	A	R	I	T	A	L	I	T	A
A	K	G	A	S	R	E	S							
R	E	D	S	E	A	R								
U	R		I		L									
S	W	I	S	H		T	E	A	S	E	L	L	E	R
L	O	A	N	N	U	I								
A	L	L	E	M	A	N	D	E						
S	A	G	N	A	C	E								
D	O	R	H		O	L	I	T	A					
D	I	S	P	U	T	A	N	T						
O	E	T	I	A										
N	O	R	T	H	E	R	N	L	I	G	H	T	S	



## FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 4BY  
 Telegrams: Finantimo, London PS4. Telex: 8954971  
 Telephone: 01-248 8000

Thursday May 20 1982

# An unnecessary monopoly

ONE OF THE more significant civil aviation decisions confronting Lord Cockfield, the new Secretary for Trade, is whether to permit direct competition on the domestic trunk air routes between Heathrow and Glasgow and Edinburgh. British Airways has monopolised these routes for nearly 40 years. British Caledonian offers competition, but only from Gatwick. What Lord Cockfield has to decide is whether to allow another independent. British Midland Airways, to compete directly with British Airways out of Heathrow.

The matter has been outstanding since February last year, when British Midland first applied. The Civil Aviation Authority, after a public hearing, admitted the virtues of competition on the trunk routes, but rejected British Midland's bid because the CAA felt it had a duty not to undermine the economic strength of existing licence holders in the current recession.

British Airways, having lost £145m in 1980-81 and well over £200m in 1981-82, is trying to claw its way back into profit, and argued that its efforts could be jeopardised if it lost domestic trunk routes, or was forced to share them. The CAA threw out the British Midland bid, whereupon the independent appealed to the Secretary of State, upon whose desk the matter has rested since November. Lord Cockfield took over the job last month and is still reading himself into it.

**Unfairly treated**  
 The problem he faces is whether the CAA's desire to protect an existing licence holder is outweighed by the likelihood of improved service to the public by permitting direct competition with British Airways on the domestic trunk routes out of Heathrow.

British Midland says it is not seeking to displace British Airways, or to indulge in price wars on the U.S. pattern, but to try to pick up about 20 per cent of the 1m-plus passengers a year by offering improved service at cheaper rates. British Midland also feels unfairly treated because it has taken nearly 16

months to get nowhere, whereas British Caledonian won the Los Angeles route within 90 days of the Laker collapse. If the licensing machinery can move that fast, why not for domestic routes?

The Government and the CAA have already shown themselves in favour of controlled liberalisation of civil aviation by allowing more competition on the Hong Kong route and greater freedom to fix fares on the North Atlantic and, only this week, by suggesting to foreign governments that "seat only" tickets should be sold on package tour holiday flights.

## Experiment

On every international air route, direct competition is accepted, with a British airline fighting a foreign one. But on the domestic trunk routes the principle is disallowed. The CAA admitted its virtues, but shied away from implementing it. It is now in Lord Cockfield's gift. If he does not want to deprive British Airways of a limited competitive British Midland service for an experimental period of, say, a year. If the results were beneficial to the public he could confirm the licence.

If British Midland failed, it would demonstrate that the domestic trunk routes were being adequately served. Lord Cockfield, and the public, have nothing to lose by allowing the experiment to proceed.

It is in any case arguable that short-haul domestic routes within the UK are more suitable for a small, tightly run airline with low overheads than for a large international company such as British Airways. One of the valuable consequences of deregulation in the U.S. has been the emergence of just such low-overhead regional airlines whose operating costs are well below those of the bigger national carriers. British Airways might argue that, with its new management structure and its more aggressive approach to cutting costs, it can provide a service on domestic routes competitive with anything a smaller airline might be able to offer. But this proposition should be put to the test. The market can decide the outcome.

Nobody at present has any firm idea where the DM 40n (about £5.50n) by the end of 1981. That figure has to be assessed by setting it against total investment expenditure of DM 354m shown in the national accounts for 1981 alone.

Count Otto Lambsdorff, the Economics Minister, listed some of the achievements this week in a spirited reply to the Federation of German Industry, whose annual report had painted a gloomy picture of the general outlook and, in particular, severely criticised Government policy.

The current account, he said, was turning around after three years in heavy deficit; business earnings were improving; the inflation rate was coming down, and so were interest rates.

But this does not mean that the known problems of economic and fiscal management have been solved by several weeks of unquenching hargaining between the coalition partners and with the Christian Democratic opposition. Some quite critical decisions have been shelved. In other instances, where decisions have been taken, their effectiveness remains to be tested by events.

This is true especially of the reflation programme which has been agreed within the coalition. The centre piece of the programme is a 10 per cent investment premium available on those investments of a business exceeding its average annual investments in the last three years. Its effect will be enhanced by the lowering of interest rates which the recent strength of the current account has permitted.

But it is by no means certain that industry will rise to the bait of the investment premium offered from Bonn. Business profits, the most obvious investment incentive, may, indeed, be rising as Count Lambsdorff pointed out. But they are doing so from a low base.

Tests carried out by the authoritative IFO Institute in Munich showed a steady decline of business confidence during the first quarter of this year—admittedly before the latest fiscal and monetary concessions became known. The investment premium is unlikely to have more than a marginal impact upon that frame of mind.

Sponsors of the premium

Choosing between economies and higher revenue, or finding a reasonable mix is something that Bonn cannot postpone indefinitely unless hope of restructuring the budget is to be given up. An economic revival would bring only limited relief on the revenue side, partly because of continued high unemployment, partly because no sufficiently strong revival is in sight. In spite of the solid achievements listed by Count Lambsdorff, all remains to be played for both in the contest over the budget and in the struggle for economic expansion.

Lord Rothschild doesn't think much of politicians. "When I came out of the Cabinet Office, my main conclusion was that I preferred civil servants to politicians."

He has no doubt that the SSRC is doing a good job in very difficult circumstances. Its overriding problem seems to be in getting itself across to the man in the street. He was soon made aware that there was a problem with social scientists by the "appalling" tidal wave of written evidence, over 300 submissions altogether, from people "not characterised by brevity of expression."

**B**RUSSELS derives a perceptible thrill from EEC crises. To the people in and around Community institutions, they are a perverse, but none the less delicious, reward for all the unremarked effort put into trying to make the Community work.

When the dimensions of the crisis seem more serious than anything experienced for 16 years, they also produce a panicky quest for self-justification. Blame is freely allocated elsewhere for the difficulties in which all now find themselves. Such fevered atmosphere does not encourage balanced judgments. The general consensus here that Britain's humiliating defeat over farm prices was pretty much what she deserved is inevitably deeply suspect. Other conclusions are less disputable. They are that Tuesday's adoption of the farm package by an unprecedented majority vote involving only seven member states has done enormous damage to the slender bonds of trust and confidence between Britain and her EEC partners. This in turn will do considerable short-term and possibly serious long-term harm to the British public's already weak attachment to the Community.

With the Falklands dispute so finely balanced, this may only rank as "the other crisis" as far as British public attention is concerned, but the angry headlines in yesterday's UK popular Press will have their impact.

Lastly, the Seve's hunt refusal on Tuesday to acknowledge Britain's right to exercise a veto over the farm price package until her dispute over Community budget payments is settled has plunged the EEC into a constitutional and procedural quandary which will need to be resolved before any more controversial decisions can be taken. The Luxembourg compromise requiring unanimity on any issue which a government says involves an important national interest has been the basis of EEC decision-making since 1966. Never before

## More generous to the UK than many had expected

fore has a government's invocation of the compromise been first challenged and then ignored. It may have no legal force, but its political vitality has not been questioned. As a shelter for the protection of national interests, the Luxembourg compromise was an important factor not just in Britain's decision to join the Community but also in the case of Greece and Denmark, as their refusal to take part in Tuesday's vote demonstrated.

These countries were not, however, opposed to the contents of the package which are based on the highest single farm price increase, 10.7 per cent, in Community history. And neither was Mr Peter Walker, Britain's Farm Minister, after he had secured an amendment or two on Tuesday. Indeed, the



Peter Walker, UK Agriculture Minister: a restrained Commons statement

Government has no option but to apply the new prices in the UK from today since any farm producer who was refused them would have a cast-iron legal case. Their adoption did not infringe EEC law, merely established procedures.

It was the knowledge that Britain was basically satisfied with the package which enabled the governments in Paris, Rome and Bonn to convince themselves that the Luxembourg compromise was being properly applied by Mr Walker because it was really about securing a satisfactory budget deal. This is how they justify an action which the British were absolutely certain would never occur. In retrospect, it is clear that London miscalculated and the lever which was expected to deliver a budget deal has come off in its hand. But why were the others prepared to take such political and procedural risks?

Several factors were at work and it is too early to say which was predominant. An important part of the explanation begins with the May 30 1980 agreement which reduced Britain's payments to the EEC budget in 1980 and 1981 and left open the prospect for a comparable arrangement for 1982 which now remains that last best hope for an early end to the budget confrontation.

At the time, two things seemed important about that agreement. The first was that it was more generous to the UK than many observers had expected and most of the other eight Governments in the Community of Nine had wished. In effect, it returned to the UK two-thirds of Britain's expected net

payments to Brussels in 1980-81. Although Mrs Thatcher was not greatly impressed by the terms it was seen in Community circles as a triumph vindication of her tough "iron maiden" approach to EEC politics. Moreover, it was secured with the help of a threat to veto the 1980 farm price increase.

The 1980 agreement was also intended to open the door to a longer term arrangement to limit Britain's payments through specific measures and by restructuring Community spending away from agriculture—from which the UK gains much less than everybody else.

These policy changes and a longer-term deal on the budget (grouped together in Community jargon as "the mandate") were under the agreement to be settled in parallel by the end of last year.

The Community's failure to make this deadline started the real test of Britain's political strategy. After an inconclusive budget negotiation in January, an exasperated Lord Carrington, then British Foreign Secretary, indicated that Britain would revert to its 1980 strategy and block a farm price rise this spring unless there was decisive progress on Britain's budget demands.

The Carrington warning set alarm bells ringing in other Community capitals and fuelled a general sense of grievance about the way the May 1980 agreement had operated.

By the spring of this year it had become embarrassingly clear that the other eight had been outnegotiated. In fixing rebates against Britain's forecast payments for 1980 and

1981, they had given in to British pressure to develop a "risk-sharing" formula, which would have increased the rebates if Britain's payments were higher than forecasted. What they had failed to do was to protect themselves against the payments being lower.

Yet this proved to be the case, largely because the expected increase in agriculture spending which has such an impact on Britain's payments failed to materialise. Over the two years of the agreement, Britain actually paid close to £550m less to Brussels than had been intended.

When the heads of government met here at the summit at the end of March there was a steady determination in Paris, now under the new stewardship of President Mitterrand, and an equally iron will in Bonn to minimise concessions to the UK in any new agreement.

But these attitudes could still be seen in London as a partial replay of winter and spring of 1979-1980 and the basic confidence remained that the farm veto would again deliver the goods.

It was not until last Tuesday week that the veto seemed likely to be tested because not until then did the complex and difficult farm price negotiations approach a conclusion. By that time the various strands leading to this week's defeat were being pulled together. In his first budget discussion on April 27, Mr Francis Pym, the new UK Foreign Secretary, was rather curtly dismissive of the first cash offer tabled by the Nine after six months of negotiations. Rebates worth £1.34bn over three

long way from what Britain is looking for."

The way in which that offer years were, said Mr Pym, "a warning of a departure from the 1980 script. There were strong indications of careful co-ordination among the other Nine and that for the first time, it was Germany not France which was planting the flag for the others to rally around."

Mr Pym was getting a tough initiation in Community politics. To criticise a man who was trying to negotiate his country's way out of a war with Argentina for failing to find the right response in the EEC is hardly fair. But at the beginning of last week, with a confrontation on farm prices looming, senior British officials began to have doubts about their approach.

In the background were the political reverberations of the bombs and missiles exploding in the South Atlantic. At the end of last week, the British Government was no longer confident of unanimity on the question of renewing sanctions against Argentina and it was increasing anxious about sparking a bitter row in the Community which the Falklands peace talks needed at its attention. So Mrs Thatcher reached for the lifebelt by taking the option of the third year under the May 1980 agreement and postponing the quest for a longer-term deal. Senior Commissioners claim credit for throwing the lifebelt in the shape of a compromise plan whose rejection on Sunday evening by Mr Pym was, according to some accounts, brutal, and

according to the British, merely an invitation to negotiate.

The Commission, meanwhile, and the Belgian Presidency, had decided to press for the majority vote in the farm council and France, West Germany and Italy agreed to take this path. Again the impression is that West German attitudes were crucial, particularly in persuading France that since Britain was inappropriately applying the Luxembourg compromise, it would, in fact, be left intact.

What happens next, in a situation where political temperatures are still running high is difficult to predict. The optimistic view is that the other Nine, having scored their political victory and, perhaps, taught a political lesson, will now be more generous and flexible. On this assessment they will take up the proposals Britain tabled after the 12th hour on Tuesday and make the necessary concessions for a one-year budget agreement when Foreign Ministers meet next Monday or Tuesday. There appears to be only £112m between what the Nine have offered and what Britain is now seeking and a new risk-sharing formula which would guard against all possible developments in Britain's payments this year ought not to be impossible to agree.

Mr Walker's statement to the House of Commons yesterday was noticeably restrained. But if Britain were eventually to threaten retaliatory measures such as withholding part or all of its budget payments, then the confrontation could take an even darker turn.

Equally uncertain is how the Community will sort out its procedural dilemma now that the Luxembourg compromise has been violated. One possibility is that it will be left buried. But notwithstanding a more flexible approach to majority voting in the French Government, which first emerged last autumn, Mr Mitterrand clearly indicated yesterday that Paris will not want to divest itself of the ultimate de-

## A tough initiation for Mr Pym in Community politics

vice for protecting national interests. At the same time, it is difficult to believe that Mrs Thatcher would fight hard against a resurrection of the compromise. The issue may have to be resolved at next month's EEC summit.

If this is the only fall-out from the current crisis with which the summit has to deal, then all governments will be truly relieved. But one favourite British assumption about the Community has already been tried and found wanting this week. Another is that the Community starts to deal with its problems only when it is in a crisis. If this is wrong and the problems must get worse, then there may be a great deal for a summit to do, and that summit may have to be an emergency, one.

## Men & Matters

### Left-handed Eskimos

Lord Rothschild was in high humour yesterday, discussing the report he has written for Sir Keith Joseph, on social sciences and the future of the Social Science Research Council.

Ten years ago, as head of the Whitehall Think Tank, Rothschild had a go at the other four research councils. He hesitated at first to accept the new chore because of his admitted "total ignorance about social science." But Sir Keith's invitation to look into the widespread criticisms from politicians not least from the Public Accounts Committee—offered him a chance to see whether his famous "customer-contractor principle" for funding research also applied there.

After three months of investigation, he convinced himself that it doesn't. Often the "customer" is unborn generations, he says.

He looked for "idiotic projects" of the kind politicians love to claim the SSRC funds too freely. He picked one that looked promising, on music, and asked for the referees' reports. "It was quite clear that the man who applied was very remarkable and if a remarkable man puts in for a grant I'm all for him having it."

Lord Rothschild doesn't think much of politicians. "When I came out of the Cabinet Office, my main conclusion was that I preferred civil servants to politicians."

He has no doubt that the SSRC is doing a good job in very difficult circumstances. Its overriding problem seems to be in getting itself across to the man in the street. He was soon made aware that there was a problem with social scientists by the "appalling" tidal wave of written evidence, over 300 submissions altogether, from people "not characterised by brevity of expression."

But he is still crudding over one piece of evidence from an eminent professor, which he left out of his report because it was a bit too explicit. The professor had written: "Perhaps I should add that I'm against sociological surveys of the type which expensively inquires into, shall we say, the incidence of left-handed homosexual Eskimos in Ashby-de-la-Zouch and then concludes in flutulent jargon that they come from a disadvantaged minority."

Rothschild's advice to the SSRC is to invest in a few copies of *Governors' Plain Words*. As he concluded ruefully, it is a field where "the moment you get a specialist to write he uses words like stochastic."

### Inside story

Italy's strike-bound airports opened just long enough yesterday to let in one special passenger who was heading for an equally special destination.

Sophia Loren, film star, and latest promoter of her own brand of scent, stepped off Alitalia's morning flight from Geneva to be instantly arrested and sent to Caserta prison near Naples to serve a mandatory 30-day sentence for tax evasion.

It was a peculiarly Italian occasion says our FT man in Rome. By mid-day a tide of reporters and photographers had swept over Fiumicino airport.

Wearing an enormous pair of dark glasses La Loren did appear having earlier in the day proclaimed her innocence of an offence which revolves around the non-declaration of £2,200 of income from a film made in 1970.

"I have done nothing wrong. It was just a small mistake by my accountant who in the meantime has died," she said.

Failed. Since then she has been living in prudent exile from Italy. Even an appeal for clemency to President Pertini failed. Now for personal and professional reasons she has decided that the easiest way out is to serve her modest stretch. Not only can the actress be reunited with her elderly mother, she can also start work in Italy on a new film being shot by Lina Wertmüller.

In any case to go to prison in Italy is no disgrace. Various baroque scandals in recent years have seen as temporary inmates a senior Bank of Italy official, scores of leading bankers, and a dozen top footballers.

Might not the whole Loren episode just be an effort to secure publicity for her new film? "How vulgar can you get?" came the acid response from her aide.

### Limited offer

The ill wind from Argentina may at least blow some good towards the Royal Mint. Coin collectors on the Mint's regular coinage subscription list have received a new mailing list with the Falklands Islands 1980 metal proof set, struck in mid-1980 and costing £13.50, at the top.

Subscribers are urged that it could be their last chance to purchase the set as only "very limited stocks" are now available. Similar treatment is also given to the Falklands Royal Wedding silver proof crown. Neither is it too late to buy, for £28.75, the Ascension Island wedding commemorative silver crown.

According to the Mint there has been no rush to buy the sets, although many customers at the Mint's London shop have shown interest and surprise in the fact that such items exist. The Mint is coy as to how many sets have been sold since the fresh marketing approach. Apparently a substantial num-

ber of the Falkland Islands 1980 metal proof sets have been sold out of 10,000 sets which were struck.

### Morning calm

A snippet of information to help businessmen, and the like, who ring the headquarters of the Austin Rover sales and marketing operation at International House, Birmingham, but do not have their calls returned until after lunch.

This is not, repeat not, an example of the insouciance of a company overwhelmed with orders. BL is currently trading at a loss of approaching £3m a week.

No, it is a new wheeze to save money in the BL cars division at the expense of British Telecom.

Most of the 400 staff at the HQ have been forbidden to make outgoing calls between 9 am and 1 pm. Unless given "special dispensation" calls are not allowed until cheaper rate charges come into force in the afternoon.

The change was agreed with staff representatives and will save around £12,000 a year, says BL.

### Mystery cruise

A trip for two on the QE-2 was originally supposed to be the prize for a draw which is being run in aid of the Newspaper Press Fund and the Stoke Mandeville Appeal.

Now the first prize has been changed to a "luxury cruise for two." The ship is unspecified. That will save a lot of embarrassment as the draw is to be made at the London Press Club's centenary reception at which the chief guest will be an excellent organiser of South Atlantic cruises—Mrs Margaret Thatcher.

Observer

## Seeking Company Information ?

There is no better combination than Extel Cards and Extel Company Searches.

## Extel are Experts

© EXTEL is the registered trade mark of The Exchange Telegraph Company Limited.

The Extel Statistical Services Ltd.,  
 37-45 Paul St., London, EC2A 4PB.  
 Phone: 01-253 3400, Telex: 262687

I am interested in the information you supply about companies.

Name \_\_\_\_\_

Position \_\_\_\_\_

Firm, etc. \_\_\_\_\_

Address \_\_\_\_\_

Extel



## ECONOMIC VIEWPOINT

## Key issues for world leaders

By Samuel Brittan

IT IS too much to hope that by the time of the western summit in Versailles on June 4 that the Heads of Government will be talking about "beating their swords into plow shares" and that "nation shall not lift up sword against nation, neither shall they learn war any more." To quote that well-known and unpatriotic subversive the prophet Isaiah.

But the concerns of the world's economies—inflation, unemployment, protection and all the rest—will not go away, however dull and dreary some people may find them, compared to the challenges of the battlefield.

Not that the western leaders will be short of problems to tax their imagination and ingenuity. Those doom-mongers who have been predicting another 1931-type depression at every sign of trouble over the last 20 years are having a field day.

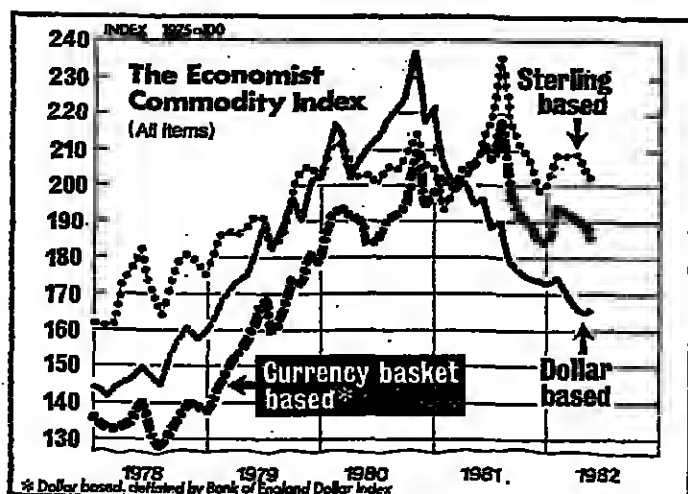
Some of the world's present problems are those of success, not failure. As the table shows, the average rate of inflation in the main industrial countries has fallen from its 1980 peak of over 12 per cent to less than 5 per cent. In the U.S. it has been running—probably erratically—at less than 3 per cent per annum in the past six months, and in Japan at about 1 per cent.

Commodity prices have shifted in more spectacular fashion, and have, according to the Economist Index, fallen by nearly 15 per cent in terms of a currency basket since the 1981 peak. Even in periods of secular inflation, commodity prices still fall as well as rise.

Nevertheless, the size of the fall, together with a dramatic deceleration in consumer price inflation and the obstinacy of the present world recession, merits the question: Is sound money being overdone?

The question is underlined by differences of diagnosis now appearing between economic analysts and business leaders in the hot seat.

"Practical men" are not always right. They may be so impressed by the recent past that they are slower than supposedly more unworried people to see a change of trend. But at least their doubts should be taken seriously. The OECD Secretariat, which also forecast an upturn in its brief for



last week's ministerial meeting, warned that the recovery was "technical." This meant that it was an automatic arithmetical effect of the end of destocking (or even of a slower rate of destocking) and it emphasised the downside risk.

Any diagnosis must start from the recognition that the fall in inflation is highly desirable from the point of view of output and employment as much as anything else. Whatever may be the case in Latin America, Iceland or Israel, Western economies have never fully adjusted to rapid inflation, and a shift from double digit inflation back to the slow and creeping variety can be nothing but helpful to a market system.

It will not in itself restore full employment, but will provide a chance for supply side policies of the genuine, rather than Reaganite, kind—which have a chance of doing so.

The question now is whether world monetary demand—i.e. the flow of expenditure on goods and services measured by Money GDP—will rise so little, or even fall, that recovery is prevented, however restrained the movement of labour and other costs. The right-hand chart is an attempt to show the approximate growth of Money GDP for the 24 OECD countries, as I have previously tried to show for the UK.

Monetary demand, measured this way, has been rising by between 10 and 14 per cent every year since 1972. So there has been no "deflation" or

"demand deficiency" yet, however many times "Wolf!" has been shouted. But the sharper eyed will notice that OECD Money GDP growth has probably dipped to 8 per cent in the first half of 1982 and the recovery to 10 per cent in the second half of this year and in 1983 is still an uncertain OECD forecast.

Money GDP, I do not need to be told, is an objective, not a policy instrument. The IMF

rapid a drop in its growth rate for comfort. These figures, combined with fears that the U.S. M1 may be showing too high a reading because of a once-for-all shift into NOW accounts (negotiable orders of withdrawal), suggest that the U.S. targets may be too tight.

Indeed the present U.S. monetary stance may be as much part of the Fed's attempt to put pressure on Congress for a tighter Budget as it is of

ness of the targets in the light of evidence on their relation to Money GDP.

Moreover, instead of tying itself into knots on whether it wants larger or smaller budget deficits, it should work out an international medium term financial strategy for reducing these deficits in the longer term, while indicating with more courage than Sir Geoffrey Howe has done domestically, the scope for higher deficits in recession years and lower ones in years of boom.

The OECD countries acting together can do something to reduce real interest rates, but by budgetary rather than monetary policy. There is as much chance of central bank governors reducing real interest rates by decree or by technical operations as there is of making water run uphill—both operations are possible for very short periods and with very strenuous efforts.

Many of the fears of "another 1931" do not have much to do with the overall stance of monetary and fiscal policy, but with the stability of the world's financial and banking system.

One concern is about the possibility of an international banking collapse of the kind triggered off by the failure of the Creditanstalt in 1931. The second is that an excess of prudence by banks trying to avert such an outcome may dry up the flow of international bank credit.

The later fear could be exaggerated. The big fall in inter-

## WORLD MONEY AND PRICES

	Money supply of industrial countries % increase on previous year	Consumer prices % increase in 7 main OECD countries
1977	8.8	8.1
1978	10.8	7.0
1979	9.7	9.3
1980	6.5	12.1
1981	4.5	10.0
1982 (March)	—	7.8
		5.4

\* "Narrow" money; † on March 1981; ‡ six months increase annualised Source: IMF

index of the "narrow" money supply of the industrial countries has more forward-looking properties. Although obviously very imperfect, it may be less subject to distortion than the monetary aggregates of individual countries. Its trend rate of growth is less than that of "broad money" or private sector liquidity.

But the IMF version of money does seem to have shown too

an objective monetary analysis. But rather than simply calling for the "less rigid pursuit" of monetary targets, which opens the door to the wrong sort of discretionary demand management, the OECD would be better employed trying to devise some coherent framework of appraisal, such as the movement of world money on different definitions. It could also check on the appropriate-

## Lombard

## How to keep the Bank in touch

By David Marsh

THE Bank of England's remoteness from some of the more hurly-burly parts of the City was brought home with force to one particular gilt-edged dealer a few months ago. He was listening to Threadneedle Street official expound the Bank's latest manoeuvres on the bond market.

With the same sort of linguistic style that the freshly arrived Norman lords would discuss agricultural matters 900 years ago with their Anglo-Saxon serfs, the Bank man made frequent and puzzling references throughout the conversation to "tranches".

It was only towards the end of the dissertation that the dealer realised that the official was talking about the Bank's newly-issued "trap" stock portions—known on the dealing room shop floor exclusively by the down-to-earth Nordic word "drips".

## Ending

There is a range of examples of how the Bank can become out of touch with the rapidly developing financial markets it is trying to serve and to supervise. Some of the less well documented episodes concern the company sector.

Shortly after the ending of exchange controls in October 1979 a senior Bank official was explaining how UK companies would have little opportunity to make profitable placements of funds on the Eurosterling market. This was, he said, because the interest rate gap between that and the domestic market would shrink to zero.

The prediction turned out to be completely wrong. Company treasurers made hay by piling up high-yielding Eurosterling deposits. This lasted until the distortions causing the interest rate gap were removed with the ending of the "corset" controls the following summer.

The latest example is also teaching the Bank some lessons. Ever since the Bank started to buy up large amounts of commercial bills as part of its new

monetary arrangements last August, some companies have been able to make a discreet killing by issuing bills at relatively low cost and re-depositing the proceeds on the higher-yielding money markets.

This practice is frowned on by the Bank of England and many commercial banks—even though some more eager banks have actually been encouraging their clients to make money in this way.

One senior company treasurer says that if the Bank creates the distortions which yield profitable opportunities for sharp-shooting treasurers, it can hardly complain if the loopholes are actually used. Any corporate finance manager who is "duped" into disregarding them, according to this view, is just plain "stupid".

Before it suffers any more embarrassments, the Bank would be well advised to keep closer tabs on the treasurers. Already the Bank has been building up its links with industry and is well informed about what is going on around the country. It could do more by establishing day-to-day contact with companies' dealing rooms, and also perhaps through seconding officials to companies' finance departments.

## Gentle

The Old Lady's remoteness could be cut down in other useful ways. It could deploy its under-used body of 35 economists to do more outside work—for instance, along the lines of the study of the economics of the New York subway published last year by the New York Fed.

There are already some gentle signs of steps in the right direction. Next month the Bank will be asked to deliberate on the problems of the inner cities as part of the next National Economic Development Council meeting. May be this is an indication that the Bank of England view of the inner city now stretches beyond Bishopsgate.

## Letters to the Editor

## Reforms to produce a fair deal for the lower paid

From Mr F. Field, MP

Sir—Ian Hargreaves (May 12) reminds us of Anthony Crosland's views about redistribution in a democracy. Crosland believed that "in a democracy, low or zero growth excludes the possibility" of redistributing from rich to poor. But Crosland wrote this passage way back in 1971. The world has changed much since then and slow growth, together with demographic changes, has resulted in an increase in the numbers of poor. To hold to Crosland's view on the limits to redistribution would mean at the present time further cuts in the living standards of those at the bottom of the pile.

What is noticeable about Crosland's views is that they are very representative in their exclusive concern with a vertical redistribution from rich to poor. I think this is a crucial part of the debate, but the operative word here is "part".

It is also important to try and bring about a horizontal redistribution at the same time from the childless to those with children. For this to happen it is necessary to convince

the electorate on the need to think out how best we can spread our earnings from up to 40 years' work over a lifetime which for many of us lasts for 80 years or more.

Moves along this front will entail a root and branch reform of the tax benefit welfare state. At the present time, over 50 per cent of personal income is exempted from tax. Only by making more income taxable can we offer the possibility of lowering the marginal rates of tax, increasing key social security benefits, while at the same time exempting a large number of poor people from tax altogether.

This last point is particularly urgent for, as Ian Hargreaves writes, I have changed my position on the question of incentives to work. I don't believe that many people find themselves better off out of work and even fewer people leave working because they have fathomed out that they will be better off in doing so.

This is a point I have pushed often enough in the past, but it isn't really the essential issue any more. What is crucial is the fact that millions of workers

have a net income from work which is not much above what they could claim on social security. This is wrong, and part of our response should be to agree major tax reforms so that the burden on the lowest paid is significantly reduced.

All this becomes so much more urgent when it is realised that one of the poorest groups in the community is the unemployed, and particularly the long-term unemployed. Help here in the way of increased benefits is long overdue, yet this will exacerbate still further the feeling that many working people have that the system is unfair and often stacked against them.

For the reasons outlined by Ian Hargreaves I reject cuts in social security benefits as a solution to this issue. At the same time as helping the long-term unemployed we must set in hand reforms which will restructure over time our tax and benefit system so as to give effect to what people feel is a fair deal for lower paid workers.

Frank Field,  
House of Commons, SW1.

## Merchant Shipping Bill

From the Director-General, General Council of British Shipping

Sir—Mr Farr of the British Federation of Commodity Associations complains (May 14) that the Merchant Shipping (Liner Conference) Bill, now in its Committee stage in the Commons, leaves far too much to be defined in regulations made by the Secretary of State rather than in the Bill itself.

Mr Farr has mentioned about the only significant issue on which final decisions have yet to be taken—the detailed definition of a UK national shipping line. This is not bad, in relation to a convention of 52 articles, each with many sub-provisions, and modified by an EEC regulation. GCBS is well content with the undertaking given by Mr Sproat, the Parliamentary Under Secretary of State for Trade, during the Bill's second reading on April 28 that all interested parties will be fully consulted on the content of the regulations before they are laid before Parliament. Indeed this is a requirement of the Bill itself.

We fully share the concern of the BFCA that non-conference ships should be protected from discrimination by developing countries. We can, however, see no point in reiterating in this Bill the extensive defensive powers already given to the Secretary of State for Trade by earlier merchant shipping acts. Far more important in our view is the early passage of the Bill itself and accession by the UK to the UN liner code convention, subject to the "Brussels package" reservation which restricts its application to the developing nations. We believe that by satisfying their aspirations it will remove the pressure for far more damaging discriminatory measures by the Third World.

We also fear that our members could be left at a considerable disadvantage in commercial negotiations to apply the code to conference agreements if it were to come into force before the UK was able to accede to it.

Against these concerns, the Government's undertaking to consult all interested parties is obviously of even greater significance than the mechanics of processing the necessary provisions through Parliament.

W. P. Shovelton,  
G.C.B.S.,  
30-32, St Mary Axe, EC3

## Private health care

From the Chairman, AMI (Europe)

Sir—I should like to have the opportunity to reply to Raymond Snoddy's article (May 12) on the increasing cost of private health care.

In the article nine London hospitals are mentioned as being too expensive for BUPA subscribers. Two of the hospitals so mentioned are owned by AMI and I can state quite firmly that except for a few special beds reserved at The Princess Grace Hospital, the charges at both these hospitals, and indeed at all our hospitals in the UK, come within the benefits currently provided by BUPA. No mention is made of the fact that our more major operations carry more major overheads than surgery in the UK with the lowest mortality.

The problem BUPA is facing has arisen because it has avoided calculating realistically the cost of good quality health care. BUPA rates have always been based on charges made for private patients using the NHS pay beds. Recently the NHS has discovered that its charges bore

no relation to the true costs of what the service was offering, especially as the private sector within the National Health hospitals has been subsidising the use of NHS paid staff, and very recently more realistic rates have been charged, forcing BUPA to raise its premiums accordingly, whereas Private Patients Plan (PPP) has always given proper coverage and charged appropriate rates. It is the end of this free ride at Government expense which accounts for a large part of the BUPA premium increase.

(Dr) Stanley Balfour-Lynn,  
AMI (Europe), 47 Cornwall Terrace, Regents Park, NW1

From the Patient Services Officer, Churchill Clinic

Sir—BUPA's suggestion (May 12) that those companies wishing to contain rising subscription costs can do so by forbidding the use of certain London clinics, is of interest from both an ideological and a practical viewpoint. To see BUPA's policy as operating in restraint of trade would be erroneous for the following reasons.

It is arguable that employees have similar expectations of private health care as they do

of pension schemes, neither of which should be subject to the exigencies of the so-called free markets.

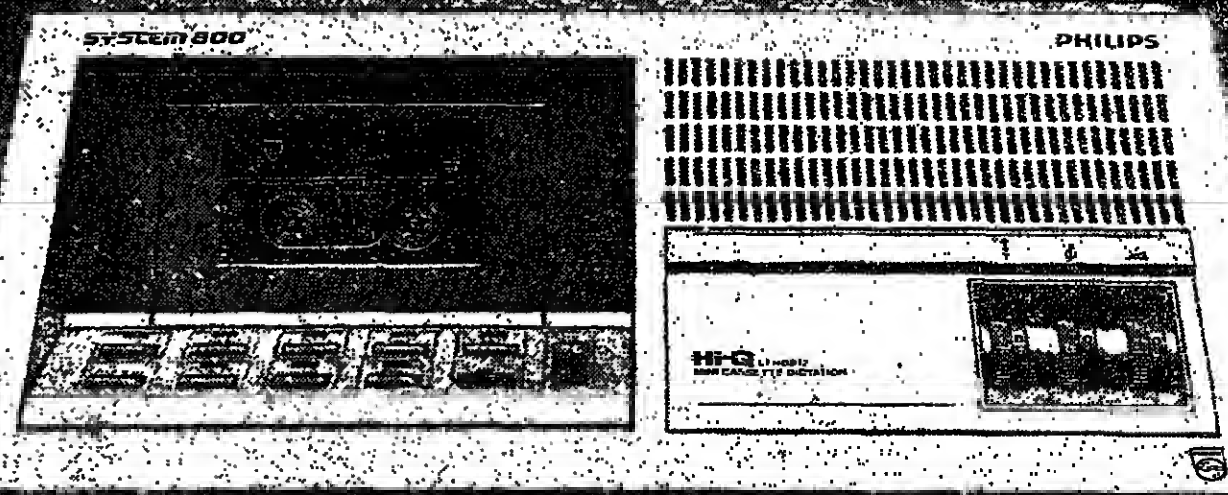
From a more practical point of view, it appears from market research that the London health care market is in the process of segmenting and that private hospitals at the top end of the scale, as well as offering an exceptional degree of comfort, in terms of hotel services also offer high technology medicine and surgery of a type that is more attractive to the foreign than the domestic market.

BUPA's action may then be seen as consolidating this process of segmentation, recognising the fact that there are clinics which operate a highly visible price policy that does not supplement revenue via additional charges for what are often no more than standard services, and furthermore, that such clinics offer a standard pattern of hotel services rather than one differentiated by price.

The consequences of BUPA's action will be of considerable interest to everyone concerned with the development of private health care in the UK.

Robert Sawyer,  
Churchill Clinic,  
80 Lambeth Road, SE1.

## We put more in.



THE REMARKABLE PHILIPS SYSTEM 800.

## You get more out. Personally.

**IT'S MORE FORGIVING.**

The remarkable Philips System 800 puts an end to dictation as you know it. Because it brings to you and your secretary a more human, more personal concept. It's more forgiving, the unique Visual Mark and Find control on the hand-mike ensures that any special instructions you have will be played back first to your secretary.

The 800 has more features like that: we put so much more into it. When you record, a little red LED in the hand-mike winks approval of your voice level. And you'll find the 800 more responsive to your instructions in many ways.

In fact, picking up the 800's hand-mike puts you back in command of your work-time while the 800's high-tech styling and gleaming good looks on your desk top will speak volumes for you. Personally.

**At the other end of the System 800 sits your secretary.** We've put a lot more into it for her, too.

The 800 speaks like a person—you. Its unique Hi Q sound delivers the human voice not only clearly but pleasantly. It's the Philips way of eliminating both mistakes and irritation. And the 800 brings even more comfort to her: she can play back your voice faster or slower to suit her personal pace of typing.

Then, a glance at the 800's Visual Mark and Find cassette advises her how many items you want typed and how long they are plus any second thoughts of yours. So she can sensibly plan her working day.

That's just one more way we've made the most advanced system in the world into the most personal.

For Philips Business Systems, Mullard House, 1-19 Torrington Place, London WC1E 7HD. Tel: 01-580 6632. Please send me more details of the Philips System 800. FT2

Name \_\_\_\_\_ Title \_\_\_\_\_  
Company \_\_\_\_\_ Address \_\_\_\_\_

PHILIPS



## UK COMPANY NEWS

## Royal Dutch/Shell shows better underlying trend

COMPARISON of Royal Dutch/Shell Group of Companies results for the first quarter of 1982, which saw net income fall from £549m to £414m, is better facilitated in the effects of the FIFO method of inventory valuation used by most Shell companies is excluded. On this basis the figure turned in at £459m, some 56 per cent higher than the £295m for the corresponding period, and £40m above the £419m for the first quarter of last year.

The performance of the oil and natural gas segment outside North America was the main reason for the healthy improvement over the first three months of 1981. In addition there were reduced losses from chemicals and the coal business continued to operate profitably. The metals sector, however, again reported losses.

While Shell Oil Company of the U.S. announced slightly lower dollar earnings, upon translation to sterling the group share of net income showed a 21 per cent advance. In contrast, Shell Canada's contribution to net income declined sharply, representing a number of adverse factors including the impact of petroleum and gas revenue tax.

As for funds generated within the group, these were more than sufficient to meet the call on capital. Capital expenditure at £903m was 26 per cent above last year, while the total of inventories and receivables net of payables declined from the year-end level. An increase in

	First quarter 1982	First quarter 1981
Revenues	11,554	6,628
Sales and operating	12,387	10,947
Sales taxes	1,768	1,579
Share of assoc.	229	171
Int. and other inc.	124	85
Costs and expenses	11,140	9,078
Purchases and op.	8,478	6,789
Depreciation, admin.	772	651
Exploration	167	139
Research and dev.	69	55
Depreciation, etc.	377	305
Exchange losses	22	143
Interest	1,030	1,025
Tax	60	59
Minorities	614	549
Net income for quarter	1,414	1,549
Revised	1,414	1,549

long-term debt and a reduction in short-term debt virtually offset each other. Cash and short-term securities rose by £420m to £3.3bn and the long-term debt rose by £1.1bn to £4.4bn at the end of the quarter, the same as at the end of 1981.

On trading conditions, the directors report that the first three months were adversely affected by a continued decline in demand and the reduction of high industry stocks coupled with surplus crude oil supply.

This resulted in downward pressure on crude oil and oil products prices. Since the end of the period under review, both spot crude and spot product prices have increased.

Excluding Shell Oil and Shell Canada, first quarter earnings from oil and gas exploration and production activities rose 15 per cent to £330m. This increase was mainly due to the strength of the dollar against sterling, which was more than sufficient to offset the impact of lower crude oil prices. Manufacturing, marine and marketing reported a loss of £3m compared with earnings of £165m last time. However, on the basis of the estimated current cost of supplies, first quarter earnings of £25m compared with a deficit of £49m.

As for chemicals, also excluding Shell Oil and Shell Canada, they showed on a current cost of supplies basis a loss of £15m (£24m). Sales volumes were up by some 3 per cent and proceeds by 22 per cent, and the directors say that losses on these serve to

emphasise the high levels of unit operating costs associated with low utilisation of certain plants in the current recessionary conditions.

Shell Oil's chemicals dollar earnings increased \$10m from \$6m as a result of lower raw material costs, while demand continued to fall and prices remained weak. Shell Canada in this sector saw earnings fall as volume and prices came under pressure.

Coal business profits expanded from £2m to £19m, with sales tonnage and unit margins up on last year. But the volume of demand for internationally traded coal is expected to decline over the remainder of the year. As a result of generally weaker markets and higher interest charges associated with plant construction, metals sector losses for the first quarter increased by £10m to £12m.

Graeme Johnson in Sydney reports that Australia's biggest oil company, Shell Australia, suffered a severe setback in the year to December 31, 1981 when profits slumped 40 per cent from A\$47.1m to A\$24.3m. Directors were extremely pessimistic about the earnings pattern and pointed out that worse results were expected with

	First quarter 1982	First quarter 1981
Oil and natural gas	547	607
Exploration and production		
Excluding Shell Oil and Shell Canada	330	287
Shell Oil and Shell Canada	206	176
Manufacturing, marine and marketing		
Excluding Shell Oil and Shell Canada	18	165
Shell Oil and Shell Canada	16	19
Chemicals	1	34
Excluding Shell Oil and Shell Canada	16	113
Shell Oil and Shell Canada	9	9
Other segments	2	5
Earnings from op.	550	637
Corporate items	76	28
Minority profits	60	58
Net income	414	549
£11 allowance made for the after-tax effects of adjusting cost of inventories sold from FIFO to estimated current cost of supplies, these earnings would be increased (reduced) by the following amounts: Oil and natural gas £32m (£233m loss); Chemicals £7m (£11m loss). * Restated. † Loss.		

little chance of any significant earnings recovery until the end of the decade.

The company faces a A\$2bn aggregate negative cash flow in the years ahead and despite a further injection of equity capital, from its parent heavy

borrowings will be necessary. Shell Australia expects to borrow up to A\$400m over the rest of this year and next year to back up an equity injection of A\$200-A\$300m.

Together the impact of the borrowings and higher depreciation charges, following further asset revaluations, higher wages and production costs, is expected to reduce earnings.

In the year, the Shell Australia subsidiary which supplies and markets Shell Petroleum products, and foots the bill for coal and metal exploration, produced an operating profit of A\$15m (A\$18m).

The Shell refining subsidiary contributed A\$5.5m to the group result, a slight lift from the previous year's A\$4.6m, and Shell Development, which accounts for oil and gas interests, provided A\$16m (A\$10m).

Total revenues for Shell Australia stood at A\$2.93bn and total expenses, including royalties and taxes, accounted for A\$2.89bn.

With tax of A\$39.7m deducted from the pre-tax profits of A\$66m, the remaining earnings of A\$26.3m appears an inadequate return on funds invested.

See Lex

## London &amp; Northern profits show little change at £8.63m

LITTLE CHANGED pre-tax profits have been shown by London and Northern Group for 1981. The surplus for the year was £8.63m, against £8.76m on turnover ahead at £216.59m, compared with £212.74m.

The final dividend of this group, with interests in construction, metal reclamation and steel stockholding, was unchanged at 2.55p, which repeats the total at 3.75p net.

Earnings per 25p share were given as lower at 11.5p, against 16p previously.

Second-half profits moved ahead from £4.55m to £5.37m. At the interim stage, the directors said that following rationalisation and some improvement in trading conditions, profitability in the second half should show a material increase over the first half.

There was a tax charge of £1.35m (£1.88m credit), and this included a prior year's credit of £1.94m (£4.21m).

Minorities took £870,000 (£1.5m). Attributable profits emerged lower at £5.61m, against £9.15m previously.

Preference dividends absorbed £73,000 (same) and ordinary payments were held at £2.13m.

Extraordinary debits amounted to £1.32m (£222,000), which included lower interest of £514,000 (£51,000) and other costs, mainly closure and disposal, of £807,000 (£211,000).

Retained profits were down at £3.09m, compared with £8.71m. On a current cost accounting

basis, pre-tax profits were £5.6m (£5.1m) and earnings per share were 6.9p (10.2p).

## ● comment

The second half upturn at London & Northern reflects an improvement in all activities including metal reclamation where prices hardened in the last three or four months. The pre-tax figure benefited from a cut in interest costs of some £1.5m, to around £3m, arising in part from the reduction in net borrowing to £17.1m — about 33 per cent of equity funds. The extraordinary costs included completion of cutbacks in plant hire which saw the fleet reduced by a third. Earthmoving is busy in the UK with motorways and major building sites. There is a good workload for construction overseas with the major roadworks in Dubai and Oman not due to be completed until the end of 1983. In the UK construction margins remain low but the division hopes to make some useful gains from the pick up in housing. With scrap metal prices beginning to weaken again in the volatile steel market the outlook for metal reclamation is uncertain. Overall with borrowings likely to be contained around the present level and no more surgery foreseen the group should be able to sustain the improving trend. Yesterday the shares remain unchanged at 49½p yielding 11.4 per cent.

## DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corr. of div. of	Total for year	Total last year
Advances Services	2.3	—	—	2.3	3
Allied Ind. Props.	0.38	—	—	0.38	1.35
Ambrose Inv. Trst.	4.5	July 22	4.3	7.3	7.1
Chamberlain & Hill	1.8	July 24	1.65	2.9	2.75
Common Bros.	1	June 29	5	5	5
Dunlop	3.56	May 31	3.29	7.35	6.97
Dunlop	0.78	July 19	0.65	—	1.55
El Ore	3.55	Oct 29	3	—	3
Exploration	1.75	Oct 29	1.5	—	1.5
Feedback	1.8	Aug 24	0.88	2	3.06
Irish Distillers	1.1	July 22	1.4	2	1.9
London & Lennox Inv.	1.4	July 12	2.35	3.75	3.75
London & Northern	2.35	July 8	2.25	3.75	3.5
London Trust	2.5	July 2	2	—	5
Moran Tea	1.2	July 8	1.07	1.8	1.6
Robert Moss	1.5	Aug 2	1.5	—	6.35
Pentland Inv. Trst.	1.2	Aug 12	3	—	8.28
Redfern	1.4	Oct 2	2.2	—	4.2
Redman Heenan Int. Inv.	3.2	July 23	2.55	4.8	4.3
Whitbread Inv.	—	—	—	—	—

Dividends shown pence per share net except where otherwise stated. \*Equivalent after allowing for scrip issues. †On capital increased by rights and/or acquisition issues. ‡USM Stock. §Gross throughout.

## Redman Heenan losses sustained

ORDERS available for completion during the first six months of the year proved insufficient to enable Redman Heenan International to trade profitably, thus confirming the forecast made in the last annual report.

This manufacturer of engineering products incurred taxable losses of £1.49m in the half-year to March 31 1982, but these were marginally down on the £1.5m in the corresponding period last year. The interim dividend is cut from 2.2p to 1.4p. Last year's total was 4.2p from pre-tax losses of £2.03m.

The directors point out, however, that the trend in order intake has been encouraging, particularly in export markets, with domestic demand also showing promising signs of recovery, although larger contracts, with their longer lead times, have tended to predominate.

Orders received during the period were some 74 per cent higher than the depressed level for the same six months of the previous year, and included export orders which were almost trebled at 56m.

The directors are "confident" that the second half trading results will be profitable and, despite the continued shortage of rapid turnaround business, it should be possible to recover substantially — if not entirely — the pre-tax loss incurred in the first half.

Group turnover in the first half was little changed at £14.41m (£14.45m). There was a trading loss of £1.04m (£227,000). Interest was up from £55,000 to £146,000 and last time there were reorganisation and redundancy costs of £604,000. Tax took £114,000 (£175,000), leaving a net

## HIGHLIGHTS

Lex looks at the first-quarter figures from Royal Dutch/Shell which, after adjustment for stock items, are evidence of the company's great resilience. Net income after adjustment was £164m higher at £459m. The column goes on to discuss the appointment of two U.S. directors to the board of F. W. Woolworth. It also examines the Institute of Fiscal Studies consideration of the problem of indexation for capital gains tax as proposed under the 1982 Finance Bill. Finally it briefly debates the possible impact of the stalled EEC farm food price negotiations on British Sugar.

loss of £1.6m (£1.67m). After minorities of £5,000 (nil) and an extraordinary credit of £107,000 (£10,000), the attributable loss emerged at £1.5m (£1.66m).

Dividends absorb £266,000 (£415,000), resulting in a deficit of £1.77m (£2.08m) being transferred to reserves.

## ● comment

Redman Heenan is not ashamed to admit that the interim results, with a trading loss 26 per cent larger at about £1m, are worse than it had expected at the time of the AGM. The forecast at that time of full-year profitability is now giving way to one of break-even. By that time gearing, 35 per cent at the last year-end, will have risen to about 40 per cent. That's the bad news. Currently the company, boosted by a number of substantial overseas orders, claims to be "working like the clappers," and the possibility of increasing the work force is not remote. Prospects for the domestic market are still gloomy: in 1980 exports accounted for 17 per cent of

turnover, but this year the figure will be about 40 per cent. The cut in the interim dividend is chiefly a reflection of Redman's desire to reduce the disparity in payouts. A maintained total is a strong possibility, at a cost of about £800,000. With the share price down 1p at 52p, the 12 per cent yield is a weighty prop.

## Allied London Properties ahead midway

First half pre-tax profits of Allied London Properties advanced from £656,219 to £752,027 and the directors are of the opinion that the full year figures will be in excess of those of the previous year.

The net interim dividend for the six months to December 31 1981 is being increased from 0.25p to 0.275p per 10p share — a total of 1.35p was paid for 1980/81.

## Harrisons Malaysian at £17.5m

THE IMPROVEMENT on the depressed first quarter results was maintained by Harrisons Malaysian Estates in the third quarter and for the nine months to December 31 1981 profits at the pre-tax level came through at £17.56m, compared with £19.24m for the corresponding period. First three months' taxable profits were well behind at £4.63m, against £6.67m.

Turnover of the group, which is 80 per cent owned by Harrisons & Crossfield, held steady for the nine months at £44.5m (£44.9m) with the trading surplus emerging at £13.23m (£15.13m).

The profit for the three-quarter period included investment income of £4.3m (£3.79m) and a share of associates' profits of £134,000 (£135,000).

Tax took £5.67m (£6.32m) and after minorities of £53,000 (£20,000) earnings for shareholders totalled £11.59m (£13.25m) including an extraordinary credit of £84,831m.

Stated earnings per 10p share were lower at 7.09p (7.65p).

A breakdown of harvested crops in tonnes for the nine months shows: rubber 23,421 (30,725), palm oil and kernels 109,673 (110,765), cocoa 2,673 (4,049) and copra 3,661 (3,684). For the 12 months to March 31 1982 the figures were: rubber 37,529 (39,301), palm oil and kernels 143,447 (143,788), cocoa 4,182 (5,716) and copra 4,557 (4,679).

Taxable profits for the previous full year amounted to £23.23m.

## Water companies seek to raise £3.5m

Wrexham & East Denbighshire Water Company is seeking to raise £3m through a sale by tender of 9 per cent redeemable preference stock, and the Bournemouth and District Water Company is offering £1.5m of stock on the same terms.

At the minimum tender price of £100, the conventional gross yield on the stock is 12.85 per cent, and the fully grossed-up franked income yield is 18.75 per cent.

Each stock is redeemable at par on June 30 1989, or, at the option of the companies, redeemable in whole or at any time on or after July 1 1987 and before June 30 1989, subject to three months' notice being given by the relevant company in writing.

Applications must be received by 11 am on May 26, accompanied by a deposit of £10 per £100 nominal of stock sought, the balance being payable on June 26 (Wrexham) or July 27 (Bournemouth).

The first dividends will be payable on January 4 1983, amounting to £4,024 net for the Bournemouth stock and £4,631 for the Wrexham issue.

## Robt. Moss recovers to £0.63m; payout lifted

AFTER dipping from £457,000 to £271,000 last year, taxable profits at Robert Moss recovered to £532,000 for the year to March 31 1982. The half-year figure was £302,000.

Turnover moved up to £2.71m, against £3.11m. The directors say the group is budgeting for another substantial improvement in turnover and profits this year.

A final dividend up to 1.2p net per share from 1.07p raises the total at this plastic injection mouldings maker to 1.8p (1.6p). Stated earnings per 10p share were 4.75p (2p).

Tax rose to £153,000 from £72,000 and there was an extraordinary debit of £16,000 (nil).

## ● comment

Softly, softly goes Murray McLean. He has sat back and let Robert Moss achieve the forecast made by its former executives. Now he is ready taking up the reins. The purchase of Banbury,

which was built up by an ex-Moss man, is the first step to add technology and beef-up management. The link with former South African collectors is another. Rebuilding bridges with his home country may send a shudder down some backs but it is a way for Moss to ship its excess manufacturing capacity overseas — it is physical machinery not money and know-how that has crossed the sea. South Africa is an ideal market according to McLean. Certainly it could be the export market which could pave the way for other moves overseas. Banbury will be in for a full 12 months this time round and that could be worth £150,000 pre-tax. Add in a £150,000 increase or so from the existing business and the fully taxed prospective p/e drops to under 14 at 54p. The price still contains a fair amount of froth but Mr. McLean has a track record in South Africa with Abernethy. This is just the beginning at Moss — for better or worse, only time will tell.

## SPAIN

	Price	%	Δ
May 19			
Banco Bilbao	345		
Banco Central	333		
Banco Exterior	302		
Banco Hispano	314	+4	
Banco Ind. Ce	245		
Banco Santander	342	+18	
Banco Urquijo	200	-2	
Banco Vizcaya	355		
Banco Zafra	265		
Dragados	123	-7	
Espanola Zinc	68		
Fecsa	64	-0.2	
Gal. Preciados	36	-2	
Hidrola	64.2	-0.5	
Industria	52.5	-0.2	
Petrobras	65.7	-2.3	
Petrobras	59		
Sopelma	70		
Telefonos	70		
Union Elect.	64	-1	

## RUSH &amp; TOMPKINS GROUP PLC

## Summary of results for 1981

	1981	1980
	£'000s	£'000s
Turnover	84,238	92,598
Profit (Loss) before tax	1,707	(795)
Profit (Loss) after tax	1,355	(949)
Earnings (Loss) per share	12.3p	(8.6p)
Dividend per share	4.25p	3.75p
Assets per share	337p	332p

\*Group returned to profitability with record profits

\*Dividend up 13.3%

\*Properties valued at £38,712,000



Copies of the Reports and Accounts for 1981 may be obtained from The Secretary, Marlow House, Station Road, Sidcup, Kent. Tel: 01-300 3388.

## NEW! UNIQUE! FREE!

FTB's 60 minute presentation on Financial Communications. Ring Alex Hurst, FTB's Chief Executive, on 01-405 8733

and make a date to see this interesting presentation.

Foster Turner & Benson Advertising Ltd Chancery House, Chancery Lane, London WC2A 1QU

## Unilever

A.G.M. Speech see page 25

## M. J. H. Nightingale &amp; Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

1981-82	High Low	Company	Price	Change	Gross Yield	P/E	Fully
130	100	Ass. Brit. Ind. CULS	128	+	10.0	7.8	—
75	62	Altripping	73	+	4.7	11.6	18.0
31	23	Armstrong & Rhodes	43	+	4.0	10.8	8.1
206	187	Bardon Hill	206	+	8.7	4.7	10.0
107	100	CCL 11pc Conv. Pre	107	—	15.7	14.7	—
285	240	Cindia Group	285	—	28.4	10.7	12.0
104	91	Odebrecht Services	62	—	6.0	8.7	3.1
131	97	Frank Horsell	127	—	6.4	5.0	11.4
83	39	Frederick Parke	75	—	8.4	8.5	3.8
76	46	George Blair	76	—	10.7	7.1	5.1
102	38	Ind. Precision Castings	98	—	7.3	7.4	7.1
109	100	Ileu Conv. Pref.	108	—	15.7	14.4	—
113	84	James & Sons	107	—	7.0	10.8	3.2
130	108	James Burroughs	113	—	8.7	7.7	8.2
334	238	Robert Jenkins	240	—	31.3	13.0	3.3
67	51	Scruttons A	67	—	5.3	7.5	10.3
285	188	Torday & Cantile	188	—	10.7	7.1	5.1



# WHAT WE DID IN 1981 WILL STILL BE HEADLINE NEWS IN 2001.



As world fuel requirements continue to grow and resources become less and less readily available, the search for efficient, economical ways of obtaining energy from more difficult and hazardous areas, such as deep sea oil fields, will assume new and crucial importance. The groundwork for that kind of technology—our energy hope for the next century—has to be carried out today.

This challenge was referred to by Sir Peter Baxendell, Chairman of The "Shell" Transport and Trading Company, p.l.c., at the Annual General Meeting on Wednesday, 19 May. The following are extracts from his speech.

'The most nebulous of the problems confronting us is the danger of believing that today's energy surplus and fragile market will carry forward into the indefinite future and that the energy problem is gone forever.

'Oil remains a finite resource and its supply can be disrupted by political upheaval. New supplies must come, to replace supplies being drawn from easier and cheaper reserves; these will come mainly from reserves in smaller accumulations, and in tougher environments, produced by advanced technology, demanding high investment and outstanding expertise.

## Growing expenditure

'That is why our capital expenditure grows at such a pace. It went from £2,900 million in 1980 to £3,900 million in 1981—and in 1982 it is expected to rise to £4,800 million, of which the major proportion will again go into oil and gas exploration and development.

'Providing energy supplies and developing natural resources for the future offers many challenging opportunities. We are convinced that we can and should make a contribution to replacing and expanding oil and gas reserves worldwide.

'Increasingly the risks involved are growing. Energy and natural resource projects frequently demand enormous investment commitment for long periods, as well as the development and use of advanced technology and the efforts of skilled and experienced personnel. They are also subject to many legal and political uncertainties.

'In some cases such projects can be tackled only as joint ventures with governments, other large organisations or other members of the industry. We have experience of such projects and their management, and are confident of our ability to participate profitably in such projects provided that the fiscal and political environment allows sufficient opportunity.

## Surplus capacity

'Much of the industry's refining and petrochemicals capacity cannot be economically usable in the future. However, because we anticipated the evolution of the market for oil products, we began upgrading our oil refineries in good time and believe we should be less affected than some of our competitors in the adjustment process.

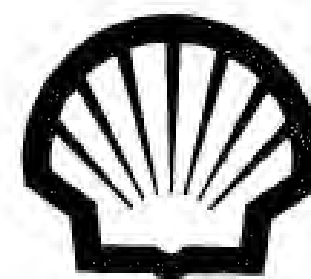
'Not all the existing surplus of capacity will remain unused indefinitely. The chemicals business is particularly sensitive to the general level of economic activity, and has been contending with the problems of the recession in Europe and the United States. We look forward to improved performance when the world economy settles on the road to recovery.

'Our metals business, too, has been affected by the recession, and we anticipate better results when economic growth resumes.

'Growing interest in coal development and use is good news for our young but rapidly expanding coal business, which in 1981 reported its first profit from international trading.

'Much of the time we are in a business environment which makes prediction of even the short term future hazardous. Our confidence, however, derives from our awareness of the quality of the resources at the disposal of Shell companies. We have the staff, the technological capacity, the financial resources and a structure of management responsibility particularly well equipped to deal with a stressful, changing world.'

For copies of the full text of the Chairman's speech and of the Company's Annual Report for 1981 please complete the coupon.



To: Ian Arthur, Manager, Shareholder Relations,  
The "Shell" Transport and Trading Company, p.l.c.,  
Shell Centre, London SE1 7NA.

Please send me \_\_\_\_\_ copies of the Chairman's speech and the Annual Report for 1981.

Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_ FT







# Unilever's responsibilities as an international business

Sir David Orr reviews the relationship between Unilever PLC and the world in which it operates at the Annual General Meeting on Wednesday 19th May 1982.

"In almost every major decision we take today we have to consider a variety of interests — the interests of those who depend on us as well as the interests of those whom our actions affect indirectly in their employment of the environment or in the quality of their lives as members of complex communities."

The rapid improvement in global communications and increasingly complex economic and political inter-relationships all mean that a diversified enterprise like Unilever is part of an international community with responsibilities to a wide range of individuals and institutions.

In the Western industrial countries public confidence in many of our institutions including business, trade unions and even the political system has waned. After the period of unprecedented growth and full employment from the Second World War to the early 1970's, many see the present stagnation in our economies and high unemployment as evidence of the inability of our free market system to cope. It is under attack from another quarter too as new values critical of materialism emerge. These suggest that the social costs of efficiency outweigh the benefits and, indeed, challenge the legitimacy and purpose of profit.

I do not believe that such critics can offer a better alternative to the democratic free market system we follow in the West. This is not to say that our market economy is perfect. In any democratic society the interests of government, unions, consumers, and public and private enterprises must be balanced. In helping to preserve this balance, we in the business community must be aware of the criticisms directed at us, even though they are often superficial or contradictory.

We must show that business enterprise deserves to exist not as of right but by virtue of what it contributes to human well-being, that it is responsive and can adapt to meet the changing needs and expectations of society.

## WEALTH CREATION

"Let me start by re-affirming our belief in the vital role private enterprise plays in creating wealth efficiently."

The current phase of economic stagnation has not shaken Unilever's faith in the competitive market economy. Rather, it has strengthened our conviction that the only way to break out of the present rut is to mobilise the driving force of private enterprise. In the developing countries particularly, all of our experience suggests that private enterprise is the most powerful engine to create the wealth without which development will not be possible.

In an environment of competitive enterprise, Unilever must be efficient and profitable to stand up to its rivals. Our contribution to wealth is the value added we create. In 1981, this amounted to £3¼ billion. Unilever's continued ability to create added value and to make innovative and risk-taking investment depends on our profitability.

## SHAREHOLDERS

"Our shareholders range from the large institutions — the insurance companies and the pension funds — to the small saver."

A business like ours, particularly a steadily growing one, depends on the availability of funds to finance investment in capital assets and working capital. Our main source of new capital is the profit we retain in the business. We are very conscious of our obligations to the equity shareholders who have a right to expect a reasonable return on the money they have invested in our stock. So we aim to produce good results.

But this is not solely for the benefit of shareholders. It is also for the good of the business. Ensuring a fair return to our shareholders maintains our reputation on the stock markets and bourses in case we should need to go to the market for additional equity capital.

Since 1970, the dividends of Unilever PLC have risen fourfold and those of Unilever NV have more than doubled. In each case, the rise has compensated in full for inflation in the home country.

## OUR CUSTOMER, THE CONSUMER

"As the world's largest producer of household products such as food, detergents and personal products, Unilever is keenly aware of its responsibility to serve well the needs of the consumers of our goods."

We must provide products which people want and that are safe, reliable and give value for money. Yet to achieve these goals calls for harnessing all the world-wide resources and expertise of Unilever, from basic research and production through to marketing.

People's needs are continually changing. To find out what they want, Unilever carries out continuous market research, spending well over £15 million annually. The results help us to define products that are needed and their chief characteristics such as performance, price, appearance, smell and taste.

Once we have developed a new or improved product which we believe will meet a consumer need, we must invest in production and distribution, and tell people that the product is available.

Last year, Unilever companies together invested £445 million in capital projects and spent about £250 million to advertise over 1,000 different brands to customers in more than 100 countries.

Equivalent to, on average, only a few per cent of the final price of a product, advertising helps to make possible the high sales volume which leads to greatly reduced unit costs and lower prices to the consumer. But advertising will not work if the product itself does not offer enough benefits to make consumers want to buy it again.

We support and follow the voluntary standards of "legal, honest, decent and truthful" advertising as required by the Code of Practice drawn up in 1973 by the International Chamber of Commerce, and its adaptations in various countries.

Naturally we also take great care to ensure that our products are safe. This starts with Research as every new ingredient of a food product and its packaging, every new formulation of a cleaning product or toilet preparation has to be cleared as safe. Our elaborate system of testing requires the efforts of two hundred full-time scientists and their supporting staff.

Once a product is finally cleared for safety, we make sure that nothing we do in the process of manufacturing makes it harmful. This calls for careful control of the working environment together with vigorous quality controls.

Once outside the factory, skills in distribution are essential to ensure that perishable products arrive at the retailer in the state we want.

We strive continually to give customers value for money and choice when they buy a Unilever product. Sometimes we wonder whether we offer too many varieties and brands. But we believe that we serve the consumer best by offering a wide range of choice between our brands and those of our competitors.

## GOVERNMENTS

"For we must never forget that outside our two home countries, the UK and the Netherlands, our presence depends entirely on the consent of the host country."

The relationship between Unilever and the governments of these countries is based on interdependence. Unless governments create a climate in which wealth creation is encouraged we cannot fulfil our responsibilities to the many who are involved in our enterprise. Governments in turn should be able to rely on a vigorous and inventive private sector to provide the employment and the financial contribution every country needs.

But in many countries we frequently find that what governments want from us is not at all clear. Often this seems to stem from an ambivalence towards private enterprise, particularly towards the foreign investor. Invariably the result is excessive regulation and controls, and frequent, abrupt policy changes.

However, it goes without saying that we conform to the law in every one of the countries in which we operate.

We also believe that Unilever must remain clear of party politics. We do not contribute funds to groups whose activities are directed to promote party interests. We believe that this abstention from party politics preserves Unilever's integrity. So too does Unilever's policy of not making payments to politicians or government officials.

Wherever Unilever companies operate, they feel to the fullest extent part of the community and make a very real contribution to its prosperity. We are determined to remain good corporate citizens. Our companies, therefore, make a real effort to adapt their products and marketing to suit local culture and ways of life.

This sometimes raises the issue of a local equity stake in a Unilever company. We prefer to retain full control, though equity partnership with a local business, with the government or with the public may be appropriate as we have found in Nigeria, Kenya, India, Indonesia and other countries. What is important to us is to see that the business will continue to be run on commercial lines, to have a real say in decision-making and to see that our partners have the same aims as we do.

## THE PEOPLE IN UNILEVER

"Of all our responsibilities, the one closest to us is our concern for our employees who are the lifeblood of the business."

Our ability to raise finance, to develop new products and to market them successfully depends in the final analysis on the capability of the

people who work for us and their motivation to do a good job. Again, our interests are totally interdependent.

We take a good deal of care to select those young people who seem to have the skills, character and interest which equip them to contribute effectively. I must emphasise that Unilever's policy is not to discriminate on grounds of race, religion, sex or nationality. In those few countries whose social structure makes it hard to carry out this policy, we do what we can without breaking the law or deviating too far from local custom.

Unilever places a very high priority on training as we cannot afford to stand still or to stop learning new skills. Each year, we spend about as much on training our employees as we do on research and development.

In every country where we operate our companies try to ensure that remuneration and other conditions of employment such as working hours, holiday entitlement and sickness and pension schemes provide a reasonable standard of living.

Job security is a major concern of employees everywhere but particularly in the Western European countries. We recognise that our reputation as a good employer has been built not only on treating our people with consideration and fairness but also on providing, as far as possible, continuity in their jobs.

However, our companies cannot be expected to be immune from market forces and some operate in industries which have been hit hard by the recession. In difficult times, we have to face the unpleasant necessity of reducing numbers and, in some cases, even of having to close complete units. To prop up loss-making units indefinitely would be unfair to the rest of our employees.

Our employees understandably want to be more closely informed of the progress of the company and of its future prospects. How this is expressed in practice varies from one country to another.

In countries where legislation is introducing new participation systems, our companies will co-operate fully in making them work. Where there are no such laws, we nevertheless expect our companies to respond actively to their employees who want to know more about decisions affecting them and to have their views taken into account.

It has always been Unilever's policy to seek good working relations with trade unions and other such bodies provided they are properly representative of groups of our employees.

## UNILEVER AND SOCIETY

"I referred earlier to our decision to behave as responsible and creative members of the communities in which we operate."

Sometimes it is difficult to reconcile the way we perceive our obligations with the calls which are made upon us.

We absolutely accept our responsibility not to pollute the atmosphere by harmful emissions of smoke or effluent. We go further, and try positively to improve the environment in which we work. We design our factories to fit in well with their surroundings.

Yet there are demands that we do more, that we repair the ravages caused by others. We will play our part but we cannot be extravagant at the expense of the commercial viability of our companies.

Similarly, we try to support worthy charities and to encourage the arts. Throughout the world we contribute about £2 million each year to educational, cultural and charitable activities — but there seems to be no end to the number of good causes we are asked to support. Regrettably, there must be some limit to the depth of our purse.

In today's climate of high unemployment in Europe when we are having to reduce staff numbers in some areas, we are asked what we can do to create new employment.

We have tried to keep our recruiting of trainees and apprentices up to normal levels; we contribute to training workshops and to schemes to advise people on how to go into business on their own; and we consider with our employees new patterns of employment which will help a larger number to be wage earners. We will continue to co-operate with government bodies and trade unions and try to make inroads into the problem, but any action we take must take account of the ability of our companies to compete and the interests of the larger number of our employees.

Resolving dilemmas like this has become a very real part of the burden of the management in modern times. If in our decision-taking we put as our first consideration the long term viability of Unilever it is only because sustained profits are an essential prerequisite if we are to continue to play a full and constructive role in the world community.

## RETIREMENT OF SIR DAVID ORR AND SUCCESSION OF MR. KEN DURHAM AS CHAIRMAN OF UNILEVER PLC

Mr. Brian Medhurst of the Prudential Assurance Company Limited proposed a vote of thanks to the Directors and Employees of Unilever and in doing so expressed particular thanks to Sir David Orr on the occasion of his retirement as Chairman of Unilever PLC. He also welcomed and offered good wishes on behalf of the Shareholders to Mr. Ken Durham on succeeding Sir David as Chairman.

Mr. Durham thanked Mr. Medhurst for his kind remarks and added his own tribute to Sir David Orr, whose work as Chairman ensured that Mr. Durham would have a sound basis

from which to start his own Chairmanship. He offered good wishes to Sir David and Lady Orr for the future.

Sir David Orr, in thanking Mr. Medhurst and Mr. Durham, referred to the enjoyment and interest that his life in Unilever had brought him and to the support that he had had from employees of Unilever throughout the world. He promised to convey to the staff Mr. Medhurst's words of thanks. Sir David expressed his own good wishes and hopes for Unilever's future and his certainty that the future was in good hands.

# Unilever

The Annual General Meeting of Unilever N.V. took place in Rotterdam on the same day. Mr. H. E. van den Hoven, Chairman of Unilever N.V., presided and delivered the same speech as Sir David Orr in London. The Company has published a report made to the British Government under the E.E.C. Code of Conduct for companies with interests in South Africa. Copies of the report may be obtained from the address below.

If you would like to receive a copy of the full text of the speech please complete this coupon.

To: Public Relations Department, Unilever PLC, P.O. Box 68, Unilever House, London, EC4P 4BQ.

Name

Address



## UK COMPANY NEWS

## MINING NEWS

## Campbell's gold output to rise

BY KENNETH MARSTON, MINING EDITOR

NOW rated as Canada's largest single producer of gold, Campbell Red Lake Mines will be bigger this year, reports John Soguch from Toronto. The expanded mine and plant is expected to turn out 22,000 oz of gold compared with 20,000 oz last year and 18,000 oz in 1980. Campbell also has the advantage of low costs, these being \$311.42 per oz last year compared with an average gold price received of \$344.75 per oz. In 1980, costs were equal to only \$283.53 but the subsequent rise reflected in part the need to eliminate the wage differential which existed for many years between gold mines and the rest of the Canadian mining industry. The company has a 25 per cent stake in its Detour Lake

open-pit gold venture. This is due to come on stream in October next year at a total cost of \$314.7m (\$44.9m) at an initial annual production rate of 88,000 oz. The other partners in Detour Lake are Amoco Canada Petroleum 50 per cent and Dome Mines 25 per cent.

Meanwhile, the Little Long Lac Gold Mines group is embarking on a rationalisation programme which will result in a reduction in the number of its satellite companies. Last year, group profits moved ahead thanks to the forward sale of the planned gold output of 178,200 oz at a price of \$375 per oz. This year it has sold forward some 119,000 oz at \$360, equal to U.S.\$509 compared with yesterday's market price of U.S.\$492.

## Jackson Exploration has first quarter turn-round

THE Dallas-based oil and gas producer Jackson Exploration reports pre-tax earnings for the three months ended March 31 of \$307,748 (\$180,600) compared with a loss of \$71,907 in the same period of last year. After providing for deferred taxation the net profit comes out at \$256,720, or 6 cents a share compared with a loss of 2 cents a share a year ago.

Commenting on the first quarter results, Mr Melvin Jackson, the chairman, says that profits were less than hoped for because of lower gas production and sales. During the quarter Jackson leased an additional 361 acres on the 17 undrilled prospects held at the beginning of the period. Seven new prospects were generated by the company on which 3,154 acres have been leased.

Four were tested and proved dry leaving an inventory of 20 undrilled prospects containing 10,744 acres. Five development wells drilled during the quarter were successful.

## Improvements by El Oro and Exploration

Both Exploration Company and El Oro Mining & Exploration Company, which are associates of each other holding 49.55 per cent and 40.26 per cent respectively, report advances in pre-tax profits for 1981. Exploration, with a \$238,324 (\$207,344) profit, from 1980, associates, pushed profits ahead from \$95m to \$1.05m, subject to tax of \$488,366 (\$411,291). The net interim dividend of 1.05p per share stands against last year's single payment of 0.87p and an interim of 1.75p gross is declared in respect of the current year. After 1981 dividends the retained balance came through at \$449,179 (\$431,231).

Profits of El Oro, meanwhile, rose from \$739,037 to \$745,603, including associates of \$354,790 (\$316,336). Tax took \$328,708 (\$319,839) and dividends twice that of Exploration's have been paid and declared on the 10p shares.

## Moran Tea cuts interim distribution

With the announcement of a 1p cut in the interim dividend to 1p net per £1 share, the directors of Moran Tea Holdings say the continued UK recession and high interest rates have affected the company's UK property investment and development activities. This will have an adverse effect on the results for 1982 they say.

Meanwhile, in India, despite current prices received for tea being some 4p per kilo higher than last year, continuing inflation and increased costs of production mean the tea subsidiary is trading at a loss.

Rigorous action is being taken to rectify the Indian subsidiary's financial position by strengthening the management and by stringent control of costs, they add.

## BIDS AND DEALS

## THF seeks support to get director on Savoy board

Trusthouse Forte has written to Savoy Hotel shareholders urging them to accept its proposals to put a representative on to the Savoy board. The letter also seeks to gauge the shareholders' readiness to accept any new bid proposals when, under the terms of the City Code, Trusthouse becomes free from June 19 to reopen last year's bitter takeover battle.

THF proposes that Mr Eric Hartwell, its vice-chairman and joint chief executive, join the Savoy board. Since the only vacancy on the Savoy board was recently filled, Trusthouse is first proposing that the maximum number of Savoy directors be increased to 12.

The circular from Lord Forte, Trusthouse chairman, explains

that "with its holding of 65 per cent of the equity, THF is by far the largest single shareholder in the Savoy."

"It is therefore wholly equitable and reasonable that it should be represented in a non-executive capacity by at least one director on the board of the Savoy, which is by law its subsidiary company, whilst holders of 35 per cent of the equity are represented by 11 directors."

"In seeking to protect its investment by appropriate participation in important board decisions, THF's interest are entirely consistent with those of all other shareholders."

The Savoy board has already liked THF's proposals for representation as "having a piranha in the bath" but share-

holders will be given a chance to decide at the annual meeting on May 28.

**BSC PENSION FUND**  
S. G. Warburg says the offer, made on behalf of Tarosore, a company wholly-owned by BSC Pension Fund Trustee, to acquire the share capital of Federated Land have become unconditional in all respects.

Acceptances have been received in respect of 10,376,031 new shares and 10,376,031 deferred shares of Federated, representing 96.4 per cent of the share capital of Federated. Acceptances in respect of 10,376,031 new shares and 10,376,031 deferred shares have elected to receive loan notes of Tarosore. Cheques and loan notes will be sent by June 7 1982.

## Agreement on Redland offer for Cawood

Acceptances of the Redland recommended offer for the shares of Cawoods Holdings have been received from holders of 44,351,439 ordinary shares (over 91 per cent) and from the holders of 161,440 preference stock units (over 80 per cent), bankers Morgan Grenfell announced yesterday.

The offers have become unconditional as to acceptances and remain open for acceptances until further notice.

Meanwhile the Office of Fair Trading yesterday confirmed that the merger of Redland and Cawoods will not be referred to the Monopolies and Mergers Commission.

However, Morgan Grenfell says the offer remains conditional inter alia on the passing of the resolutions to be proposed at extraordinary meetings of Cawoods and Redland to be held on May 20 1982 and May 24 1982 respectively, or at any adjournment of these meetings. Further announcements will be made concerning these conditions, it adds.

Morgan Grenfell, an associate of Redland, yesterday sold on behalf of a discretionary client 40,000 Redland shares at 174p, and sold 200,000 Cawoods shares "assented" at 290p, also on behalf of a discretionary client.

## Bejam buys head lease on Plymouth site

Bejam has acquired Plymouth Commercial Properties, whose sole asset is a new 125-year head lease on a modern purpose-built shop and office property in Plymouth city centre.

Part of the retail area is occupied by Bejam and the remaining shops, together with the offices, are fully let. The rent payable under the head lease is 8 per cent of the receivable rents. The consideration of £837,328 was satisfied by 771,742 new ordinary shares.

Bejam's Plymouth branch is achieving the highest turnover of 150 freezer food centres. Bejam anticipates that the rental value of this property will increase considerably in the next few years. The company sees great benefits in being a virtual freeholder.

## Hartley Baird gains EGM at H. Baldwin

An EGM has been announced by H. J. Baldwin for June 18. The meeting was requested by Hartley Baird, which owns 63.3 per cent of the Nottinghamshire concrete and clay products manufacturer, and which has pursued a year long struggle to replace the Baldwin board with directors of its own choosing.

Four new directors proposed by Hartley Baird were voted on to the board after Baldwin's AGM last month, when the re-election of Mr Reg Rodwell, the former managing director, was also opposed.

Mr Rodwell, the present chairman, and one of the four original directors who still remain, said then that he expected an EGM to be called in order to remove himself, Mr Peter Hewlett, Mr Mick McE and Mr Peter Jones from the board.

## John Menzies adds to Lonsdale stake

John Menzies (Holdings) yesterday purchased 25,000 ordinary shares in Lonsdale Universal at 67p. Menzies now owns 3,440,367 Lonsdale ordinary shares and 39,071 first preference shares.

The shares owned by Menzies carry 40.52 per cent of the total voting rights exercisable at any general meeting. In addition, Menzies has received acceptances of its offer for Lonsdale in respect of a further 116,021 ordinary shares and 243 first preference shares, which together carry 1.23 per cent of the voting rights of Lonsdale.

**CITY OF ABERDEEN**  
Acceptances to the offer by City of Aberdeen for General Trust and Heritages have been received in respect of 9,933 ordinary (66.2 per cent), 10,205 preference (69.8 per cent) and 34,600 deferred (85.5 per cent). City of Aberdeen intends to extend the offers until June 4, 1982.

The separate cash alternative offer made by Lazard Brothers and Co, for all or any

## Bemrose rejects Bunzl offer

Bemrose Corporation, the security printer, yesterday signalled its intention of opposing the £13.8m bid from the Bunzl group in a strongly-worded letter to its shareholders.

Bemrose chairman, Mr Gordon Brunton, described Bunzl's 120p per share offer as wholly inadequate and the bid as "hasty and inadequately conceived."

Bemrose, which is being advised by Kleinwort Benson, alleged that by following up Tuesday's unsuccessful "dawn raid" with a formal offer Bunzl and V. M. Rathschold had been in clear breach of the City's takeover and merger code, which requires a wait of seven days before further shares could be acquired.

Bemrose is advising its shareholders to reject the Bunzl bid and will be offering detailed reasons for its stand as soon as the formal offer document has been received.

Meanwhile, Mr James White, managing director of Bunzl, said

he expected the offer document, containing precisely the same terms outlined at the time of the first bid, would be sent out next Tuesday or Wednesday.

Bemrose may hear from its shareholders at today's annual general meeting what they think of the offer. At Bunzl's meeting yesterday no questions were put about the company's plans. "It was the essence of quietness," Mr White said.

Bemrose is offering 120p to cash for 1.68m of Bemrose's shares and 120p nominal of 11.25 per cent convertible unsecured loan stock 1992-94 for the remainder.

Bemrose's shares fell back 2p to 127p at yesterday's close, while Bunzl was a further 5p lower at 175p.

Bunzl's early morning raid on Bemrose on Tuesday failed to net a single share when counter-bidding from a number of stock-brokers pushed its share price above Bunzl's offer price.

Mr Robert Maxwell's British

## BSR expansion in Far East

BSR, the record changer and electronics group, is poised to make further acquisitions in the Far East to augment its successful computer peripherals subsidiary, Astec International, in Hong Kong.

Mr John Ferguson, the chairman, told the annual meeting, that "currently we are negotiating to acquire a major shareholding in another company, which is also an original computer peripherals subsidiary. Its products are complementary to those of Astec."

BSR also hopes to purchase a reasonable minority interest in another company with interests in microwave technology, combined with an agreement for Astec to manufacture and distribute products to its mutual benefit.

"These two purchases would be in keeping with our original plan to expand our Far Eastern operations," he explained, "by capitalising on Astec's position as a major peripheral component supplier to the computer industry by expanding its product base."

While the terms of the proposed deals have not been disclosed, it is understood that Astec will be able to fund these acquisitions and its own internal resources.

Mr Ferguson did not see "any evidence of a sustained recovery in the near future, and consequently we shall continue with our policy of reducing costs and improving efficiency wherever possible."

Astec, however, is proving "contrary to this situation and is coping with a much higher level of demand for its existing products, as well as introducing new products. This should sustain its record of growth over the next few years."

## BRITANNIA ARROW ACCEPTANCES

Britannia Arrow says that acceptances of the offer made to ordinary shareholders of General and Commercial Investment Trust on April 26 1982 have been received from holders of 4,905,521 ordinary in G and C (91.5 per cent of the existing issued ordinary share capital).

The ordinary offer has become unconditional as to acceptances and the determination of net asset value of the existing G and C ordinary shares for the purpose of calculating the value of the offer will be made as at May 17 1982. The ordinary offer remains open for acceptance until further notice.

The separate cash alternative offer made by Lazard Brothers and Co, for all or any

## Feedback profits above forecast with £954,782

TAXABLE PROFITS of Feedback rose by 27 per cent from £750,904 to £954,782 in the year to March 31 1982, which the company points out comfortably exceeds its forecast of 15 per cent growth to £875,000 made at the time of its USM placing last November.

With earnings per 10p share of this designer and maker of electronic, electrical and micro-processor equipment for industry and education, Feedback's 1982 profits of £954,782 (£875,000) the retained balance emerged at £403,382 (£359,183).

Current cost adjustments reduced the taxable profits to £825,704 (£699,739) and stated earnings per share to 5.41p (2.46p).

which moved ahead from £5.58m to £5.86m. This growth is expected to be maintained, they add.

The pre-tax profits were struck after interest charges of £24,571 (£28,983) and included an associate's losses of £13,235 (£11,775).

Tax took £383,400 (£317,781), leaving attributable profits of £571,382 (£458,123), and after dividends of £168,000 (£99,940) the retained balance emerged at £403,382 (£359,183).

## Some improvements at BTR in opening months

Sir David Nicholson, the chairman of BTR, told members at the annual meeting that the group had experienced some further increases in its overall business in the opening months of the current year.

Regarding the group's £25m takeover last year of Secur, the Birmingham valve maker, he said that news of the Monopolies Commission investigation of the acquisition appeared imminent. He understood the report had been prepared and that he hoped to hear the result "very soon."

At Sir David Nicholson's Engineering the chairman revealed that over seas order intakes for the first four months had been maintained in real terms at the same level as a year earlier and added that if the apparent undertone of greater confidence in the home industry continued then the group's results for the year would benefit accordingly.

that nothing had changed the directors' judgment that it would be wrong to count on any significant improvement in the world economic climate to help the group in the achievement of the best possible results for 1982.

The chairman of Cape Industries said the company had traded at a "modest" profit in the first quarter and results to date were "somewhat ahead" of expectations.

At Sir David Nicholson's Engineering the chairman revealed that over seas order intakes for the first four months had been maintained in real terms at the same level as a year earlier and added that if the apparent undertone of greater confidence in the home industry continued then the group's results for the year would benefit accordingly.

## Yearling bonds total £15.9m

Yearling bonds totalling £15.9m at 13 1/2 per cent redeemable on May 25 1983 have been issued this week by the following local authorities.

Bromsgrove DC £0.5m; Bury (Metropolitan Borough) £0.5m; Lothian Regional Council £0.25m; Southern-on-Sea BC £0.15m; Havering (London Borough) £0.15m; Knowles (Metropolitan Borough) £0.05m; Llanelli (Borough) £0.025m; South Tyneside (Borough) £0.075m; Tewkesbury BC £0.05m; Wellingborough (Borough) £0.025m; West Glamorgan CC £0.075m; Brighton BC £0.1m; Fife Regional Council £0.1m; Brent (London Borough) £0.05m; Buckinghamshire CC £0.1m; Hounslow (London Borough) £0.1m; Alnwick DC £0.15m; Barnsley Metropolitan BC £0.15m; Erewash (Borough) £0.05m; Gosport BC £0.075m; Hastings BC £0.075m; Rhymney Valley DC has issued £0.25m of 14 per cent bonds at par for redemption on May 15 1985 and £0.25m of 14 per cent bonds at par for redemption on May 15 1987. It has issued £0.5m of 13 1/2 per cent bonds also at par for redemption on May 15 1984.

**ASSOCIATE DEAL**  
S. G. Warburg and Co, as an associate of Pearson Longman, sold on May 17 on behalf of a discretionary investment client 25,000 ordinary 25p shares of Pearson Longman at 347p and 5,000 at 345p.

## INVESTMENT COMPANIES

**LONDON TST.**  
PRE-TAX revenue of London Trust improved from £4.9m to £5.06m in the year to March 31 1982. The 12 month dividend rose from 2.25p to 2.5p net for an increased total of 3.75p against 3.5p.

Gross revenue rose from £9.31m to £11.49m, and expenses and interest charges were higher at £4.36m compared with £4.42m. There was a tax charge of £1.71m (£1.6m).

Stated earnings per 25p share were 3.61p (3.55p) but net asset value per ordinary share was down from 111.3p to 106p.

**AMBROSE INV.**  
CROSS income at Ambrose Investment Trust for the year to March 31 1982, declined from £87,583 to £80,425.

Expenses took £29,936, up from £31,750, and tax £225,803, down from £241,826, leaving net revenue of £516,126, compared with £554,006.

A final dividend 0.2p higher at 4.5p net per share raises the total from 7.1p to 7.3p. Net asset value is given at £2.07p per 25p income share (32.2p) and 182.3p per 25p capital share (188.73p).

**DUALVEST**  
AS PREDICTED, net revenue at Dualvest Investment trust was slightly ahead at £661,050 for the year to March 31 1982, against £627,480, after tax of £389,068, up from £365,790.

A higher final dividend of 3.50p net per 50p income share (3.25p) boosts the total to 7.345p. Net asset value per £1 capital share is given as £31.75p, compared with £27.125p, after deduction of the income shares at their nominal value.

**WHITBREAD INV.**  
AFTER being ahead at £2.46m halfway, Whitbread Investment reports profit before tax of £4.5m for the year to March 31 1982, against £4.07m.

Total dividend for the year is raised to 4.8p net per share from 4.3p by a final 0.5p from 2.5p to 3.2p. Earnings per 25p share are given as 4.87p, compared with 4.4p.

Tax was higher at £1.43m, against £1.29m, leaving net profit of £3.07m (£2.78m). Retained profit was £46,185 (£67,551).

## IRON TRADES INSURANCE GROUP RESULTS FOR 1981

	1981 £m	1980 £m
PREMIUM INCOME	71.9	65.3
INVESTMENT INCOME	21.4	18.7
UNDERWRITING RESULTS		
Association	(5.0)	(2.0)
Subsidiary Company	(1.4)	(1.8)
SURPLUS BEFORE TAX	15.0	14.9
TAXATION	9.4	7.8
SURPLUS AFTER TAX	5.6	7.1
FREE RESERVES AT 31st DECEMBER	52.5	41.1

## UNDERWRITING RESULTS

The Iron Trades Employers Insurance Association Ltd.

In common with other insurers, the "Association" continued to suffer from the downturn in the underwriting cycle exacerbated by an excess of underwriting capacity. Premiums are being quoted quite out of keeping with known claims experiences and future claims inflation.

Iron Trades Mutual Insurance Company Ltd.

There has been a further year of growth with premium income increasing by £9m to £40.0m. Private Motor and Household Insurances represent the major proportion of premium income and despite difficulties with commercial insurance, prospects for 1982 are optimistic. Profit before tax increased by £1.3m to £4.3m.

## RESERVES

Group reserves have grown significantly from £41.1m to £52.5m reflecting the determination to face the problems of claims inflation and uneconomic premium ratings from a position of strength.

Copies of the report and accounts may be obtained from the Secretary, The Iron Trades Insurance Group, Iron Trades House, 21/24 Grosvenor Place, London SW1X 7JA.

LONDON TRADED OPTIONS									
May 12. Total Contracts 3,250 Calls 1900, Puts 360									
			July	Oct.					
Option	Ex'r'se price	Closing offer	Vol.	Closing offer	Vol.	Closing offer	Vol.	Equity close	
BP (c)	280	58	12	48	1	42	1	510p	
BP (p)	320	82	10	18	1	24	1	"	
BP (c)	320	82	10	18	1	24	1	"	
BP (p)	280	6	23	11	—	—	—	"	
BP (c)	500	15	3	26	—	30	1	"	
BP (p)	350	30	64	40	—	44	1	"	
OU (c)	140	10	—	16	—	20	27	152p	
OU (p)	140	5	—	10	26	15	10	"	
Cong. Gld (c)	380	14	1	21	1	20	1	574p	
Cong. Gld (p)	420	57	6	67	1	70	—	"	
Ctds. (c)	70	8 1/2	98	12	29	19	2	86p	
Ctds. (p)	80	8 1/2	15	5	30	15	20	"	
Ctds. (c)	100	8 1/2	15	5	30	15	20	"	
Ctds. (p)	100	8 1/2	15	5	30	15	20	"	
GE (c)	850	27	1	27	60	114	1	88p	
GE (p)	850	29	1	32	52	82	—	"	
GE (c)	900	35	1	50	3	58	2	"	
GE (p)	900	35	1	50	3	58	2	"	
Gr'd Met. (c)	180	32	2	59	2	58	1	208p	
Gr'd Met. (p)	200	15	64	28	—	28	—	"	
Gr'd Met. (c)	200	15	64	28	—	28	—	"	
Gr'd Met. (p)	200	8	61	12 1/2	14	14	40	"	
Gr'd Met. (c)	600	6	25	12	26	26	—	"	
ICI (c)	300	8 1/2	14	50	12	40	1	51p	
ICI (p)	500	8	7	28	1	17	1	"	
ICI (c)	320	25	7	28	1	24	1	"	
ICI (p)	320	25	7	28	1	24	1	"	
Land Sec. (c)	800	13	4	25	1	55	1	278p	
Land Sec. (p)	300	8	25	18	1	25	1	"	
Mk&S Sp. (c)	160	6 1/2	7	10 1/2	1	15	1	155p	
Shell (c)	590	55	55	46	3	58	1	414p	
August									
November									
February									
Barclays (c)	460	22	2	57	1	60	1	456p	
Barclays (p)	460	22	2	57	1	60	1	"	
Barclays (c)	460	22	2	57	1	60	1	"	
Barclays (p)	460	22	2	57	1	60	1	"	
Imperial (c)	70	18	60	4	28	1	32	23p	
Imperial (p)	80	17 1/2	7	20 1/2	1	20	1	"	
Imperial (c)	90	10 1/2	51 1/2	14	25	17	—	"	
Imperial (p)	100	9 1/2	30	14	61	9 1/2	—	"	
Imperial (c)	90	3	20	2	4	1	—	"	
Imperial (p)	100	9	22	10 1/2	1	11 1/2	—	"	
Lasmo (c)	350	50	2	45	1	62	1	327p	
Lasmo (p)	350	50	2	45	1	62	1	"	
Lasmo (c)	390	11	25	—	—	—	—	"	
Lasmo (p)	420	5	20	—	—	—	—	"	
Lasmo (c)	420	5	20	—	—	—	—	"	
Lasmo (p)	420	5	20	—	—	—	—	"	
Lornte (c)	80	4 1/2	101	6 1/2	112	8 1/2	6	68p	
Lornte (p)	80	4 1/2	101	6 1/2	112	8 1/2	6	"	
Lornte (c)	60	13	6	3 1/2	14	26	1	"	
Lornte (p)	90	23	10	—	—	—	—	"	
P & O (c)	120	28	2	28	1	30	1	143p	
P & O (p)	140	12	7	15	1	20	2	"	
Racal (c)	350	68	—	75	2	80	1	405p	
Racal (p)	590	35	2	65	1	56	—	"	
Racal (c)	420	18	7	38	1	42	1	"	
Racal (p)	460	5	—	15	4	28	—	"	
Racal (c)	350	5	2	8	—	8	—	"	
Racal (p)	590	16	6	23	1	28	—	"	
Racal (c)	480	50	6	55	1	60	1	"	
Racal (p)	460	60	2	65	—	70	—	"	
RTZ (c)	480	37	7	54	5	60	1	441p	
RTZ (p)	480	17	12	32	1	42	1	"	
RTZ (c)	350	6	3	16	1	20	1	"	
RTZ (p)	480	15	1	22	1	32	—	"	
RTZ (c)	480	37	7	47	1	56	—	"	
RTZ (p)	500	77	8	—	—	—	—	"	
Vaal Rts. (c)	45	7	25	8	—	8	—	549	
Vaal Rts. (p)	50	3 1/2	6	4 1/2	—	6 1/2	—	"	
C=Call P=Put									



## Companies and Markets

## INTERNATIONAL COMPANIES and FINANCE

## Italy expects to reduce Euromarket borrowing

By Alan Friedman in Rome

ITALY'S state and private sector borrowings in the Euromarket are expected to total about \$30bn this year, against \$35bn last year. The main reason for this reduction will be an expected \$2bn to \$3bn decline in the 1982 current account deficit, according to the Bank of Italy.

Italian borrowers, public and private, will have to pay about \$4bn this year as interest on outstanding debt. Between \$2bn to \$3bn of debt will mature in the year. The latest estimate is that the current account deficit will decline from \$8bn in 1981 to \$6bn or less this year, leading to a lower borrowing requirement in the Euromarket and Euro credit markets.

The country's outstanding external debt is about \$470bn, of which \$35bn is mostly in the public sector and the rest private commercial bank debt related to export-import business.

About 75 per cent of Italian debt on international capital markets is in U.S. dollars, but the Bank of Italy expects borrowers to diversify further into other currencies this year.

Both borrowers and banks are demanding diversification, said Dr Giovanni Magnifico, councillor of the Bank of Italy.

There had been some "discrimination" against Italian names in the market, but Italy hopes to prevent interest rate margins from rising, he said.

Commenting on the queuing system for Italian borrowers, which came into force under Treasury and Bank of Italy supervision last September, Dr Magnifico said there had been some friction, but the general reaction had been favourable. Friction between two or more borrowers wishing to come to the market at the same time was "unavoidable," and the bank had sometimes stepped in.

## TransCanada bonds hit by Dome worries

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

EUROBONDS issued by the Canadian utility TransCanada Petroleum were hit by a flurry of nervous selling yesterday morning as investors worried about the borrower's connection with the troubled Dome Petroleum concern.

The 16 per cent bonds due 1989 fell three points on one stage to be quoted at about 98. The latest price was picked up after UBS (Securities), lead manager of the TransCanada issues, stepped in to support the market.

Mr Nicholas Ryan, director of UBS (Securities), said that during the day his firm bought 10 times as many TransCanada bonds as it sold. "The market now knows that we are interested in buying the bonds. We've succeeded in stabilising a situation that was in danger of running out of control," he said last night.

Dome Petroleum, which recently announced exceptionally poor business results, owns about 47 per cent of TransCanada Pipelines. Little trading in its own Eurobonds was reported yesterday as attention switched to the TransCanada issues.

"The market feared TransCanada Pipelines with the same breath taken without justification," Mr Ryan said. "It's a

public utility regulated by the National Energy Board. It is structured in such a way that Dome cannot take advantage of it."

The volatile movements in TransCanada bonds may also have been exaggerated by the very thin trading in yesterday's market which saw other bonds virtually unchanged.

Another casualty of the market's recent deterioration has been the \$60m, 15 per cent issue by Mead International which was postponed by lead managers Hambros Bank.

In other primary market news the \$50m Illinois Power issue has been priced at 99 per cent with a coupon of 11 per cent by lead manager Credit Suisse First Boston.

Citizen Watch is raising DM30m through a 6 per cent convertible placement due in 1989. The conversion premium is 6 per cent and the issue price has been set at par by lead managers Bayersche Landesbank and Nikko Securities.

In the Samurai bond market Australia is raising ¥10bn through an 8 per cent 10-year issue priced at 99.95 by lead managers Nomura Securities.

Swiss Franc foreign bonds were little changed, while D-Mark bonds fell about 1 point in very thin trading.

## Macy lifts third quarter earnings

By Our Financial Staff

SUCCESSFUL trading results for their latest quarterly trading periods were reported yesterday by two well-known names in the U.S. retail industry.

R. H. Macy, owner of the famous New York store and also of about 90 other trading outlets in 13 states, continued to exceed forecasts, pushing earnings ahead from \$13.6m to \$15.9m or 48 cents a share in the third quarter, on sales of \$684.3m against \$579m.

At the nine-month stage, earnings of \$102.7m or \$3.12 a share compare with \$95.9m or \$2.96 last time—a modest enough increase but better than expected at the beginning of the year. Sales have risen from \$2,050m to \$2,290m.

In fiscal 1981, Macy's earnings rose by nearly one fifth to \$120m on sales of \$2,700m, but a further rise this year seemed unlikely at first in view of the effects of the U.S. recession on consumer spending.

Dayton Hudson of Minneapolis, which has nearly 900 stores, earned \$16.5m or 34 cents from continuing operations in the first quarter, compared with \$13.5m or 28 cents a year ago. Earnings from discontinued operations of \$5.3m this year and \$12.2m last year made net of \$21.7m this time, compared with \$26.8m a year ago.

The board said the Target division of low margin stores, which bring in about one third of group earnings, increased profits in the quarter, as did Mervyn's, provider of about one quarter of the group total.

Annual report of Texas Air heavily qualified

By Richard Lambert in New York

TEXAS AIR, which owns Texas International Airlines, had its annual report heavily qualified because of its substantial investment in Continental Airlines, another troubled carrier.

Earlier this year Peat Marwick Mitchell, auditors, qualified Continental's accounts, noting that the airline "may not be able to continue in existence" as a result of its heavy losses.

Arthur Andersen, another accounting firm, has made a similar comment about Texas Air, which owns 51 per cent of Continental and is seeking shareholder approval next month for a full takeover.

The firm says that "should Continental Airlines be unable to continue in existence, Texas International Airlines in turn might be unable to continue in existence."

Texas Air said it expected "to continue to experience significant losses over the near term." Last year, the holding company reported a loss of \$47.2m.

Continism for 1981 outcome from Swiss Re

By John Wickes in Zurich

SWISS REINSURANCE (Swiss Re) expects improved profits for 1981. The company says in a letter to shareholders that although it has again experienced an underwriting loss on non-life reinsurance business, earnings have risen both on life reinsurance and from increased investment income.

In 1980, parent company profits rose from SwFr 69.9m to SwFr 76.2m (\$38.7m), from which an unchanged dividend of SwFr 100 per share was paid.

Premium income in 1981 is expected to have been of about 1980 levels, most foreign currencies having weakened against the Swiss franc. In 1980, gross premium income of the parent company amounted to SwFr 3.64bn and that of the Swiss Re group as a whole SwFr 8.39bn.

Svenska Varv to cut loss

By Our Financial Staff

SVENSKA VARV, the Swedish state-owned shipyard and industrial group, hopes to "conspicuously" cut losses this year having posted a 1981 loss before tax and accounting dispositions of Skr 1.6bn (\$275m).

The company said that losses last year had expanded from the 1980 loss of Skr 1.45bn because of high interest rates and foreign exchange losses. However, operational losses before adjustments for interest earnings and payments narrowed to Skr 546m from Skr 823m last year.

The group has planned for several consecutive years of losses as part of a restructuring programme aimed at decreasing dependence on shipbuilding.

## U.S. results paint a grim picture

BY RICHARD LAMBERT IN NEW YORK

AFTER TAX profits of U.S. companies declined by 17.5 per cent between the fourth quarter of 1981 and the first three months of 1982. This was the third largest decline on record, the Department of Commerce said yesterday, having been surpassed only in the second quarter of 1980 and the fourth quarter of 1983.

Year on year comparisons look even worse. Company profits in the first three months of the year were 29.8 per cent lower after tax than in the comparable period of 1981.

Mr Malcolm Baldrige, the Secretary of State for Commerce, said yesterday that the sharp fall in profits reflected a "cost-price squeeze on corporations."

He added that the "dramatic drop in inflation is laying the groundwork for a sustainable business expansion which should be accompanied by a strong rebound in corporate profits."

After tax profits in the latest period were running at a seasonally adjusted annual rate of \$118.8bn compared with \$169.2bn a year earlier and \$144bn in the final three months of 1981.

Behind the setback lay a steep downturn in the overall U.S. economy. Revised figures from the Commerce Department show that the output of goods and services in the U.S. contracted at a seasonally adjusted

annual rate of 4.3 per cent after inflation in the first quarter of the year, compared with a 4.5 per cent decline in the preceding quarter.

Earlier estimates had indicated a 3.9 per cent downturn in the latest period. Yesterday's updated figures reflect revised figures for consumer spending and Federal Government purchases.

The Department also produced revised figures for inflation in the opening months of this year. These indicate that prices rose at an annual rate of just 3.5 per cent in the first quarter, down from 3.5 per cent in the preceding three months.

The slowdown in inflation had picked up strongly in April, and that this should help companies' balance sheets. But economists in general say the overall economy may still be declining in the current quarter, though not at nearly the same pace as in the first.

## National in chips market drive

BY LOUISE KEOH IN SAN FRANCISCO

FIGHTING FOR a place in the billion dollar market for high performance microprocessors, National Semiconductor yesterday unveiled a new set of chips that represent five years and \$35m worth of development for the Santa Clara-based semiconductor company.

For National Semiconductor the 16000 will also become its technology flag ship. Although widely recognised as a high volume chip manufacturer, National's chip designs have so far failed to gain the acclaim won by its neighbours and rivals in Silicon Valley.

The NS 16000 high end microprocessor is already acknowledged by the experts to be the best of its type. It is faster and more powerful than those sold by Intel or Motorola—the two major suppliers of high-end microprocessor chips.

But National comes to the market several years late—after Intel and Motorola have established their designs in the marketplace. National, however, is determined to make up for lost time. The company is emphasising the superior performance and new features of its chips by making direct comparisons with competitor devices.

To provide extra strength for its marketing push, the 16000 National has set up "alternative source" agreements with Fairchild Semiconductor—now a subsidiary of Schlumberger—and with Eurotechnique—its French joint manufacturing venture with Saia Gohain. But neither is seen as a "strong" source within the industry.

National has also pulled in several software companies to provide programmes that will enable systems companies to develop applications for the 16000. Included in the roster

are digital Research of California, a leading supplier of system software for microcomputers.

The 16000, despite all its outcries, faces an uphill battle against Intel's 8086 family and Motorola's 68000. National's prime market for the 16000 will be among manufacturers of business and personal computers, but many of the major contenders in that sphere have already committed themselves to either Intel or Motorola chips. IBM uses Intel's 8088 in its personal computer, as does Digital Equipment. Apple Computer is expected to opt for the Motorola 68000.

In other applications, however, such as industrial controllers, military systems and higher performance business computers, National may gain market advantage from the higher speed and computing power of its chips.

## Retail dip hits Hudson's Bay

By Our Montreal Correspondent

HUDSON'S BAY, Canada's largest retailer, warns of a substantially larger first quarter loss than last year's corresponding \$1.5m (U.S.\$1.2m) by its merchandising division.

Mr Donald S. McGivern, president, told the annual meeting in Winnipeg that retail sales had been flat with real volume down after adjustments.

Group operating earnings for the full year to end-January were C\$3.7m (excluding a special gain from the sale of its major stake in Hudson's Bay Oil and Gas), against C\$4.6m

Operating revenues rose 11 per cent to C\$34.1m but expenses increased 16 per cent. Fuel costs rose 25 per cent.

The airline said that operating capacity as calculated by available ton miles increased by 5 per cent.

Operating revenues rose 11 per cent to C\$34.1m but expenses increased 16 per cent. Fuel costs rose 25 per cent.

The airline said that operating capacity as calculated by available ton miles increased by 5 per cent.

Operating revenues rose 11 per cent to C\$34.1m but expenses increased 16 per cent. Fuel costs rose 25 per cent.

The airline said that operating capacity as calculated by available ton miles increased by 5 per cent.

Operating revenues rose 11 per cent to C\$34.1m but expenses increased 16 per cent. Fuel costs rose 25 per cent.

The airline said that operating capacity as calculated by available ton miles increased by 5 per cent.

Operating revenues rose 11 per cent to C\$34.1m but expenses increased 16 per cent. Fuel costs rose 25 per cent.

The airline said that operating capacity as calculated by available ton miles increased by 5 per cent.

Operating revenues rose 11 per cent to C\$34.1m but expenses increased 16 per cent. Fuel costs rose 25 per cent.

The airline said that operating capacity as calculated by available ton miles increased by 5 per cent.

Operating revenues rose 11 per cent to C\$34.1m but expenses increased 16 per cent. Fuel costs rose 25 per cent.

The airline said that operating capacity as calculated by available ton miles increased by 5 per cent.

Operating revenues rose 11 per cent to C\$34.1m but expenses increased 16 per cent. Fuel costs rose 25 per cent.

The airline said that operating capacity as calculated by available ton miles increased by 5 per cent.

Operating revenues rose 11 per cent to C\$34.1m but expenses increased 16 per cent. Fuel costs rose 25 per cent.

The airline said that operating capacity as calculated by available ton miles increased by 5 per cent.

Operating revenues rose 11 per cent to C\$34.1m but expenses increased 16 per cent. Fuel costs rose 25 per cent.

The airline said that operating capacity as calculated by available ton miles increased by 5 per cent.

Operating revenues rose 11 per cent to C\$34.1m but expenses increased 16 per cent. Fuel costs rose 25 per cent.

The airline said that operating capacity as calculated by available ton miles increased by 5 per cent.

Operating revenues rose 11 per cent to C\$34.1m but expenses increased 16 per cent. Fuel costs rose 25 per cent.

The airline said that operating capacity as calculated by available ton miles increased by 5 per cent.

Operating revenues rose 11 per cent to C\$34.1m but expenses increased 16 per cent. Fuel costs rose 25 per cent.

The airline said that operating capacity as calculated by available ton miles increased by 5 per cent.

Operating revenues rose 11 per cent to C\$34.1m but expenses increased 16 per cent. Fuel costs rose 25 per cent.

The airline said that operating capacity as calculated by available ton miles increased by 5 per cent.

Operating revenues rose 11 per cent to C\$34.1m but expenses increased 16 per cent. Fuel costs rose 25 per cent.

## FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Wednesday June 16.

U.S. DOLLAR STRAIGHTS Issued Bid Offer day week Yield

Asino Life 15 88/97 100 101 102 1/4 0 -0.14 12.27

Amex Int. 15 88/97 100 101 102 1/4 0 -0.14 12.27

Amex Int. 15 88/97 100 101 102 1/4 0 -0.14 12.27

Amex Int. 15 88/97 100 101 102 1/4 0 -0.14 12.27

Amex Int. 15 88/97 100 101 102 1/4 0 -0.14 12.27

Amex Int. 15 88/97 100 101 102 1/4 0 -0.14 12.27

Amex Int. 15 88/97 100 101 102 1/4 0 -0.14 12.27

Amex Int. 15 88/97 100 101 102 1/4 0 -0.14 12.27

Amex Int. 15 88/97 100 101 102 1/4 0 -0.14 12.27

Amex Int. 15 88/97 100 101 102 1/4 0 -0.14 12.27

Amex Int. 15 88/97 100 101 102 1/4 0 -0.14 12.27

Amex Int. 15 88/97 100 101 102 1/4 0 -0.14 12.27

Amex Int. 15 88/97 100 101 102 1/4 0 -0.14 12.27

Amex Int. 15 88/97 100 101 102 1/4 0 -0.14 12.27

Amex Int. 15 88/97 100 101 102 1/4 0 -0.14 12.27

Amex Int. 15 88/97 100 101 102 1/4 0 -0.14 12.27

Amex Int. 15 88/97 100 101 102 1/4 0 -0.14 12.27

Amex Int. 15 88/97 100 101 102 1/4 0 -0.14 12.27

Amex Int. 15 88/97 100 101 102 1/4 0 -0.14 12.27

Amex Int. 15 88/97 100 101 102 1/4 0 -0.14 12.27

Amex Int. 15 88/97 100 101 102 1/4 0 -0.14 12.27

Amex Int. 15 88/97 100 101 102 1/4 0 -0.14 12.27



## Kevin Done assesses the W. German group's fortunes as GEC bid speculation grows

# AEG moves towards a critical turning point

THE LONG-RUNNING saga of the rescue of AEG-Telefunken, West Germany's financially stricken electrical and electronics group, is entering a decisive phase, with speculation growing that GEC of the UK is standing in the wings preparing to take a substantial minority stake in part of AEG's capital goods operations, which in total represent about two-thirds of group turnover.

Since the late 1970s, AEG has repeatedly threatened to become the biggest corporate failure to be suffered by German industry in the post-war period. From the end of 1979, it has remained in business only through the good grace of its bankers, who have been left uneasily holding 50 per cent of the AEG equity.

The bankers are due to meet again on June 14 for a climatic meeting in Frankfurt—eight days before the company's annual meeting in Berlin—to

decide what further financial sacrifices they are willing to make if they are to continue on the painful course they chose at the end of 1979: namely a private enterprise rescue that would eschew all temptations to call on the state for aid.

Herr Hein Dürr, AEG chief executive, admitted recently that the company's performance since the banks stepped in at the beginning of 1980 had been a "big disappointment." New skeletons have been discovered in the AEG cupboard at an alarming rate for the banks, and the costs of the rescue operation have risen inexorably as the list of measures has lengthened.

Existing shareholders—already without a dividend since 1973—suffered the expensive indignity of having their equity written down to a third of its earlier worth at the end of 1979.

AEG's 24-member banking consortium—23 West German

institutions and one Swiss bank—pumped in DM 930m (\$401.7m) in new equity to save the concern from immediate financial collapse. The new shares subscribed at a price of DM 180 per share have recently been trading at a low of 37.

Insurance companies and major West German industrial groups rallied round as part of the rescue package subscribing to unsecured bonds worth a further DM 450m.

Around DM 2bn of AEG's long-term borrowings were re-scheduled, repayments were waived on these credits for three years and for 1980 and 1981, AEG was granted interest rates on these credits at 2 per cent below market rates.

All these measures were insufficient to block the gaping holes in AEG's finances, however, or to make good the gross deficiencies in the structure of its balance sheet which had left it dangerously dependent on debt financing. Equity

accounts for only 9 per cent of total liabilities.

Speculation has been rife for several months that top level contacts between Dürr and Lord Weinstock, the GEC chairman, could lead to some form of equity involvement in AEG by the British electrical group, which is under-represented in continental Europe, particularly in West Germany.

What form this engagement could take is not yet clear, but it appears that GEC is moving towards taking a substantial minority stake—perhaps as much as 49 per cent—in the core of AEG's electrical engineering activities, many of which are still in good shape. AEG's central problems stem from consumer goods which alone are expected to accumulate operating losses of up to DM 250m this year, although the year-end for only a third of AEG's worldwide turnover of DM 15.4bn.

The other two-thirds of AEG sales is contributed by capital

goods, including the office information equipment manufacturer, Olympia, and this dominant portion of AEG business is forecast by Dürr to break back into profit this year.

The AEG chairman no longer makes a secret of the fact that the real millstone around the company's neck is Telefunken, the consumer electronics subsidiary. "There is no way we can survive in brown goods (consumer electronics) in the medium-term with our volumes of production," said Herr Dürr, suggesting that the AEG board is seeking either co-operation with another consumer electronics group or an outright disposal.

AEG has already attached to itself one deal for Telefunken to manufacture 300,000 video recorders a year in co-operation with JVC of Japan and ThornEMI of the UK. In household appliances, Dürr is confident that AEG can restore its operations to financial health through drastic restructuring without outside help.

On the capital goods side, one model for future co-operation with GEC is already available in the shape of the telecommunications joint venture AEG put together last year with the Robert Bosch group and Mannesmann. AEG's telecommunications division was established as an independent corporate entity with AEG retaining only 51 per cent, the whole deal with other measures raising around DM 400m to help AEG's stretched finances.

AEG's industrial systems division, which now appears finally to have caught GEC's eye had sales last year of DM 5.8bn. At the same time, new orders rose by 22 per cent to DM 6.4bn helped by the DM 700m order

SALES BY DIVISION		
	1981	% Change
	DM m	on year
<b>CAPITAL GOODS</b>		
Industrial systems	5,881	+9
Communications	843	+21
Standard products	1,850	-10
Olympia (office machines)	1,121	+15
Total	9,695	+4
<b>CONSUMER GOODS</b>		
Household appliances	3,103	-1
Consumer electronics	1,714	-6
Power tools	316	-
Total	5,133	-3
Domestic Foreign	8,483	+8
Total sales	14,837	+3

from the USSR for gas turbines for the West Siberian natural gas pipeline to West Europe.

In the first quarter of this year, this division's sales rose by 17 per cent and its performance has easily outstripped the average of the German electrical sector. It has a workforce of 47,580 of which 41,320 were employed in Germany.

Activities centre on radio and radar systems, power distribution, railway and road traffic systems, turbine systems, motors and generators, industrial and marine systems and contractor equipment.

Several of these areas involve sensitive defence contracts for the West German armed forces, a factor which would make it unlikely that GEC would be allowed to take a controlling interest.

## Political problems that GEC must overcome

BY JASON CRISP

GEC DIRECTORS are now considering a number of options to buy substantial parts of AEG-Telefunken, the troubled German electrical company.

GEC's prime interest is thought to be in the power generation and industrial systems side but it is also believed to be looking at a number of other areas including telecommunications and electronic components. The negotiations have been intensified by the German banks

concern over the latest call by AEG-Telefunken for yet more assistance.

It is likely to be several weeks before GEC can agree what parts, if any, of AEG it will acquire. The deal would offer a number of advantages to GEC.

The two companies' product ranges are also broadly complementary. GEC would benefit from AEG-Telefunken's market strengths in West Germany, Continental Europe and Latin America.

Any deal is fraught with political problems. GEC—which is refusing to discuss the issue—is unlikely to want to take on parts of AEG without full management control which may not be acceptable to Germany, especially because of defence contracts.

The consortium of 24 banks which is supporting AEG may be so concerned at the company's plight that political considerations will be over-

come. But there is also thought to be some resistance within GEC to taking over a troubled company.

GEC has concentrated in recent years on acquiring companies in North America. It is believed to have come close to several purchases in the past year, and is thought to be interested in buying a telecommunications company there to give it a (stronger) position in world markets.

## West LB unlikely to pay dividend this year

BY STEWART FLEMING IN FRANKFURT

WESTDEUTSCHE Landesbank, (West LB) the third largest German banking institution, is not expecting to pay a dividend for 1982, despite expectations of improved profits in the current year as a result of falling interest rates. Instead, the improved earnings will be used to strengthen the bank internally, according to Herr Friedel Neuber, chief executive.

Last year, West LB was one

of the big banks hardest hit by the unexpected surge in German interest rates. It was forced by plunging profits to dig deep into hidden reserves, selling shareholdings estimated to have a worth of over DM600m, in order to avoid reporting substantial losses.

The bank's operating earnings last year including the profitable building society division, fell from DM 265m to DM 195m

(\$84.2m). After drawing on hidden reserves, however, after tax profits were DM 45m, the same as in 1980. Group net profit including operations not accounted for in the parent company results rose from DM 61m in 1980 to DM 71m last year.

The biggest problem for the bank in 1981 was the mismatching of its funding against its loans. The bank ended the year with around DM 8bn of longer

term loans financed with more expensive short term funds. This was about DM 4bn less than at the end of 1980. Depending on the method of calculation, the mismatching led to losses of between DM 350m and DM 500m.

The bank has taken steps to strengthen its equity base for future growth. Last year DM 200m of new equity was pumped into the bank.

## Thomson-Brandt buys German hi-fi maker

BY DAVID WHITE IN PARIS

FRANCE's recently nationalised Thomson-Brandt group has confirmed its new strategy of concentrating on mass-market electronic products by announcing plans to take over Dual, the bankrupt West German hi-fi producer.

Under an agreement reached with Dual's receivers, the French group is to invest DM 30m (\$13m) in the company over the next three years. It plans to keep on 640 of

Dual's 2,000 employees and to run its factory at St Georgen in the Black Forest on a leasing basis. Thomson did not disclose how much it had agreed to pay to take over the Dual trademark and the company's stocks of raw materials and finished products.

The privately-owned West German company, well-known for its record turntables, filed for bankruptcy late last year after collapsing under the

pressure of Japanese competition. It had 1981 sales of DM 232m, a third in exports. The agreement, which is still subject to approval by the French and West German authorities, is aimed at building up Thomson's share of the European hi-fi sector.

Thomson is setting up two fully-owned West German companies, one for manufacturing and one for marketing, to run the venture.

The reorientation of Thomson's policy was already illustrated by its decision to halt development of videodisks for professional use, undertaken by its subsidiary Thomson-CSF, and to concentrate instead on mass-market videodisks at its consumer products division.

At the same time, Thomson-Brandt is currently studying the possibility of making its own video tape recorders.

## Krupp Stahl makes good start with sales ahead

BY JAMES BUCHAN IN BOCHUM

THE FUSION of Krupp Stahl and Hoesch Werke into the new West German steel giant, Ruhrstahl, will be completed before the end of this year, according to Herr Alfons Goedde, chief executive of Krupp Stahl.

Hoesch Werke is now attempting to disentangle itself from Estel, the transnational steel company it formed in 1973 with Hoogovens of the Netherlands.

After its worst year ever in 1981, Krupp Stahl reported sharply improved figures for the first three and four months of the current year. In the first four months, sales climbed 5 per cent to DM 2.1bn (\$907.1m) and the first quarter showed a "two-figure million profit."

The improved performance, despite a 4 per cent fall in crude steel production, was attributable to the European Community steel price rises. Overall, Herr Goedde expects a positive result for 1982 against a net loss of DM 112m in 1981. This loss that would have stood

at DM 385m but for extraordinary earnings, including the sale of property.

Herr Goedde also disclosed that Ruhrstahl would be cutting the partners' crude steel capacity by 20 per cent. Since the start of the steel crisis in 1975, Krupp Stahl alone has made fixed investments for restructuring purposes of DM 2bn, and cut its workforce by 7,500 with a further 1,000 to go in the course of this year.

But to get Ruhrstahl off the ground, Herr Goedde would be demanding "investment help from federal and regional governments" "several times greater" than the DM 600m first proposed.

Estel, meanwhile, reported a pre-tax loss of F1 6.1m (\$2.36m) in the first quarter of this year compared with a loss of F1 243.7m.

Hoesch had a pre-tax profit of F1 27m while Hoogovens, lost F1 33m. This follows a loss of F1 698m for 1981, a figure that was heavily weighted by reorganisation costs.

### COLD STORAGE HOLDINGS P.L.C.

Annual Report and Accounts for the year ended 31st January, 1982.

SUMMARY OF SALIENT POINTS FROM THE REVIEW OF THE CHAIRMAN, MR S.R. PARKER, TO BE PRESENTED AT THE ANNUAL GENERAL MEETING OF THE COMPANY IN SINGAPORE ON 25TH MAY 1982.

Turnover 1982 \$678.5 m. (previous year \$558.2 m.), including a full year from Foodland. Operating profits before minorities and extraordinary \$520.3m. (previous year \$523.8m.).

Extraordinary comprise profits on investments and property sales, \$55.2 m., losses on closure of certain activities \$51.2m., and exchange losses on, and provision against long term loans \$51.4m.

The Board decided that the Company's resources should be concentrated on development of food manufacturing, distribution, and property interests and related activities in Australia. To facilitate this we are withdrawing from smaller and peripheral activities—some currently incurring losses—and are unlikely to reach acceptable profitability. Action has been taken to dispose of Group's interests in Cadbury Foods Ltd., Wellington Cold Storage Ltd., and Transcon Cold Storage Co. Ltd. Our 45% joint venture interest in Sedco business also sold. Related costs of withdrawal, including stock and debt provisions substantial, and the effect on accounts this year is reduction of trading profits by \$52.4m. and extraordinary gain \$51.1m.

DIVIDENDS First dividend of 7 Singapore cents per stock unit payable on 28th May 1982 representing 10% of the 1982 dividend of 4.5 Singapore cents paid 9th December 1981, amounts \$57.8 m. (previous year \$57.8m.).

SINGAPORE Group turnover \$512.7 m. (previous year \$514.0m.), contribution to profits \$54.7m. (previous year \$50.5m.). Profits lower because of reduced turnover on manufacturing lower and provisions relating to decision to withdraw from various businesses. New offices at Bukit Timah site, and new factory at Jurong, completed during year, good progress on reconstruction and plant extension for Dairy and Beverage Division.

Malaysia had satisfactory year, and new supermarket at Centropoint opened January. Present indicates that Centropoint likely to be behind current schedule by several months, every effort is being made to improve. 98% of residential units sold or committed, and of commercial area 71% sold 75% leased, leaving 14% for leasing.

Malaysia Turnover \$510.9 m. (previous year \$508.6m.) profit \$57.5 m. (previous year \$59.7m.).

The results of Fima Supermarkets Malaysia Bhd. improved on previous year, but raw materials high prices had adverse effect on manufacturing despite increased sales. High cost of borrowing and difficult market conditions, particularly in retail areas, resulted in more competition and a reduction in margins of Cold Storage (Malaysia) Bhd.

Parang supermarkets contributed to profits in first year. Kuantan supermarket not yet profitable but expected to improve on completion of in-store bakery. Fima Supermarkets Malaysia Bhd. expanding activities of retail pharmacies and supermarkets new supermarket at Yow Chuan Plaza in Kuala Lumpur to commence business in current year.

Plans submitted to Authorities by Fima Supermarkets Malaysia Bhd. for a development of retail supermarket site. Two sites owned by Cold Storage (Malaysia) Bhd. not considered suitable for development by the Company, sold.

AUSTRALIA Turnover \$545.4 m. (previous year \$514.0 m.) profits \$45 m. (previous year \$52.4 m.) results include thirteen months to align financial year with parent Company. Foodland initiated refrigerated storage facilities as part of its expansion programme, strengthened market position by acquisition of liquor wholesaling business. Further acquisition will extend activities in commercial catering. Board approved purchase of one third of Saco Holdings Pty. Ltd., a company strongly marketing orientated with diversified product base in seafoods which operates canneries, frozen food companies in joint venture operations in Australia, Thailand, Philippines and Indonesia.

OUTLOOK Present economic climate not conducive to undue optimism on trading prospects for current year, but looking ahead to completion of Centropoint in 1982, and expansion, modernisation programme for retailing, pharmaceutical and manufacturing operations, we have sound base to benefit from continuing economic development of South-East Asian region.

Changes in management structure will facilitate concentration on major activities of Group and greater emphasis on property developments. Though decisive action following recent review of operations and strategies had adverse effect on results this year, I hope it cleared the way for emphasis on primary activities and new areas of progress.

BOARD OF DIRECTORS Mr V.S. Dhillon retired on 31st January 1982 as Chief Executive. During his tenure the internal restructuring made good progress, and he gave a refreshing stimulus to our affairs. On behalf of the Board and our stockholders, I wish him and his wife a long and happy retirement.

With the appointment of our new Group Chief Executive, Mr M.J. Russell, and progress made with our various projects and restructuring of the Group, this is an appropriate time for me to retire and hand over the Chairmanship to Mr Lim Kae Ming. Mr Lim has been a director of the Company since 1972.

I also welcome to the Board Mr. Sia Yung who brings expertise in financial and property matters and will bring additional strength at a time when we are increasingly involved in property projects.

A copy of the Company's Annual Report and Accounts is available upon request to the Secretary, Cold Storage Holdings P.L.C., P.O. Box 550, Singapore, 2011.

### YONTOLB EUROBOND INDICES

	14.576=100%				
PRICE INDEX	18.82	11.5.82	AVERAGE YIELD	18.82	11.5.82
DM Bonds	96.51	96.86	DM Bonds	8.397	8.327
HFI Bonds & Notes	95.94	100.24	HFI Bonds & Notes	8.356	8.303
U.S. \$ Str. Bonds	90.69	90.68	U.S. \$ Str. Bonds	12.850	13.877
Can. Dollar Bonds	91.90	91.76	Can. Dollar Bonds	15.383	15.285

### BOARD OF DIRECTORS

Ian S. Steers  
Wood Gundy Limited  
Chairman  
Jean Adant  
Société Générale de Banque  
A. Bruce Brackentide  
Morgan Guaranty Trust Company  
Dr. Rolf-Ernst Breuer  
Deutsche Bank A.G.  
Cornellie Bruck  
Caisse d'Epargne de l'Etat  
Luxembourg  
Heinz Gisliger  
Swiss Credit Bank  
Kanj Goto  
Bank of Tokyo Limited  
Rolf A. Hallberg  
Skandinaviska Enskilda Banken  
Hans Georg B. Hofmann  
Merrill Lynch International  
Dr. L. Lammers  
Amsterdam-Rotterdam Bank N.V.  
Bernard Lorain  
Société Générale  
Robert Strelbel  
Credit Suisse First Boston  
Dr. Georges A. Streichenberg  
Swiss Bank Corporation  
Jean-François Vidoudez  
Pictet & Cie  
Mohamed S. Younes  
Kidder, Peabody International



### 1981 HIGHLIGHTS

\* Turnover up 59 per cent to record \$242 billion. Value of securities in the system up 42 per cent to \$58 billion at year-end, and now standing at over \$70 billion.

\* Bridge fee to Cedel cut twice, saving members over \$1 million a year.

\* 85 per cent of all instructions received during the year in computerised form, reflecting considerable expansion of EUCLID time-sharing system which now has over 230 active users.

\* New link with SWIFT network allows transmission of payment instructions for Euro-clear participants also members of SWIFT.

### GROWTH OVER SEVEN YEARS

Fiscal year ended 30th November	1975	1976	1977	1978	1979	1980	1981
Number of Participants	566	653	770	856	974	1,056	1,162
Number of issues accepted in the System	2,570	3,244	3,969	4,747	5,450	5,736	6,463
Value of Securities in System (US\$ Billion)	4.9	9.4	15.6	21.4	28.4	40.7	58.0
Participants' turnover (US\$ Billion)	14.3	37.0	64.1	78.1	99.1	152.4	242.0
Average number of daily settlements	1,969	3,184	4,185	5,153	5,324	6,815	7,052
Total number of bond loans	N.A.	801	4,149	14,359	31,280	51,358	58,791

## Steel lay-offs accepted

BY RUPERT CORNWELL IN ROME

ITALY'S engineering unions have accepted the long term lay-off of 2,100 workers at Teksid, the special steels subsidiary of the Fiat motor group, as part of the major rationalisation now under way in the industry.

The unions' decision in effect removes the last major obstacle to final agreement for the transfer of much of Teksid's business to Finsider, the steel subsidiary of the publicly-owned IRI conglomerate.

The workers, out of a total of more than 30,000 employed

by the loss making Teksid, will be placed on state subsidised lay-off for three years. It is hoped that aid from the European Coal and Steel Community will help provide long term alternative employment for about 500 of them.

Last year, Teksid reported a loss of L78bn (\$82m), up from L43bn in 1980, while Finsider's deficit reached a record L2,130bn. Both, however, are confident of a significant improvement in 1982.

U.S.\$15,000,000

THE FUJIKURA CABLE WORKS, LTD.  
(Incorporated with limited liability in Japan)  
GUARANTEED FLOATING RATE NOTES DUE 1997



unconditionally and irrevocably guaranteed as to payment of principal and interest by

THE MITSUBI BANK, LIMITED  
(Incorporated with limited liability in Japan)

In accordance with the provisions of the Notes and Agent Bank Agreement between The Fujikura Cable Works, Ltd., The Mitsui Bank, Limited and Citibank, N.A., dated May 7, 1980, notice is hereby given that the Rate of Interest has been fixed at 15 1/2% p.a. and that the interest payable on the relevant Interest Payment Date, November 22, 1982, for the period May 20, 1982 to November 20, 1982, against Coupon No. 6 in respect of U.S.\$5,000 nominal amount of the Notes will be U.S.\$384.93.

May 20, 1982

6y: Citibank, N.A., London, Agent Bank

CITIBANK

Weekly net asset value

Tokyo Pacific Holdings (Seaboard) N.V.  
on May 17th 1982, U.S.\$62.59

Listed on the Amsterdam Stock Exchange

Information: Pierson, Hekking & Pierson N.V., Herengracht 214, 1016 BS Amsterdam.

Foreign exchange,  
currency loans  
and  
deposits...



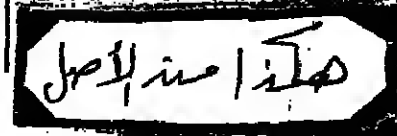
talk to **Godsell**

Spot and forward foreign exchange  
Currency loans and deposits  
CD's, FRCD's, SDR's and ECU's  
Floating rate notes, Bonds and Long-term loans

01-481 8353

Godsell and Company Limited,  
Marion House, 71-74 Mark Lane, London EC3M 4AQ  
Telephone 01-481 8353, Telex 899150

Member of the Euro International Group





## Slow housing construction hits Sekisui Chemical

BY YOKO SHIBATA IN TOKYO

SEKISUI CHEMICAL, Japan's top processor of synthetic resins, incurred a sharp setback in earnings in the fiscal year ended March 31, reflecting slow recovery of market prices of chemical products due to the sluggishness in housing construction.

Sekisui's operating profits fell by 58.7 per cent to ¥3,066bn (\$12.9m). Full year net profits were ¥1,750bn, down by 51.6 per cent, on sales of ¥297,580bn, down by 1.5 per cent over the previous year. Per share profits were ¥6.09, compared with ¥13.94 in the previous year.

The company cut its dividends by ¥2.5 to pay ¥5 a share per annum.

Of total turnover, sales of PVC pipes accounted for 18 per

cent (up 2.7 per cent), housing materials 10.1 per cent (down 9 per cent), industrial materials 8.9 per cent (up 4.9 per cent), packaging materials and adhesives 12.5 per cent (down 3.3 per cent), chemical products 12.2 per cent (down 2 per cent), and prefabricated houses 37.1 per cent (down 2.9 per cent).

Despite favourable sales of prefabricated houses, poor land sales dragged down earnings in this division.

Cutting prices of PVC pipes and packaging materials in order to trim inventories hurt profitability of chemical products.

The company's failure to raise prices of chemical products, due to the incursion of low-priced synthetic resin from the U.S.

and Canada helped by the yen's appreciation against the U.S. dollar until the end of last December) resulted in deterioration of profitability in chemical products.

Production of PVC pipes ran 40 per cent below a year earlier. This increased the burden of fixed cost.

In the current fiscal year ending next March, the company expects earnings level to recover to those of fiscal 1980 (ended March 1981).

Full year operating profits are expected to reach ¥7bn, an increase of 120 per cent over the year just ended. Net profits are projected at ¥2.2bn for a gain of 26 per cent, on sales of ¥325bn, up 9 per cent on 1981-82 returns.

## Japan to restart zero coupon bond trade soon

By Richard C. Hanson in Tokyo

SALES OF heavily discounted zero coupon Eurobonds to Japanese investors are expected to restart in the near future. Securities houses, however, have accepted a number of official "suggestions" aimed at avoiding past excesses. Japan's share in any new issue will likely be limited to one-third of the total.

The Finance Ministry called a halt to sales of zero coupons in March. At the time, the authorities were alarmed at the size of a sudden outflow of capital into the zero coupons (about \$800m in February alone). This drain came as the yen was weakening on international exchange markets.

The Ministry was also upset by the sometimes blatant offering of zero coupons as a tax haven for rich Japanese investors. This was done in some cases, without clearly informing investors of the risks, and other demerits, involved.

Since then, the Ministry has revealed plans to close the tax loopholes by imposing a capital gains tax on zero coupon bonds, and requiring securities houses to notify tax authorities of individual redemptions.

Securities houses this week agreed to avoid selling zero coupon bonds too close to the payment date of a new issue. This will eliminate what in effect had been subscriptions to new issues by Japanese investors, without a required application to the Ministry.

In addition, the securities houses will avoid "aggressive" sales and provide investors with information detailing the risks involved.

But the group suffered from a loss on its U.S. operations.

## Samurai bond issue pace to be increased

By Our Tokyo Correspondent

THE SAMURAI bond market, for foreign yen-denominated bonds issued in Japan, will be allowed to expand to a monthly pace of ¥75bn (\$316m) of new public issues from July. This compares with a monthly rate of ¥55bn for May and June.

The loosening of the market is aimed at least partly at meeting increasing foreign pressure for greater access to yen borrowing.

Underwriters say that around 30 or more potential borrowers are now in the queue for yen issues. In addition, the authorities now appear more relaxed about the prospects for the yen.

Long-term yen borrowing has become extremely attractive, compared with dollar bonds. The latest samurai issue by the EEC carried a coupon of 8 per cent.

In July, there will be four public issues (compared with three this month and next). These are a ¥20bn issue by Procter and Gamble, ¥20bn by Venezuela, 15bn by Manitoba and ¥20bn by Finland. The latter squeezed in after plans to expand the market were confirmed.

● The Japanese Government will have to issue large amounts of additional national bonds in fiscal 1982, which started April, to cover shortfalls in national tax income, according to the Underwriters Association. Reuter reports from Tokyo.

## Sharp lift in interest charges depresses earnings at Fedfood

BY THOMAS SPARKS IN JOHANNESBURG

DOUBLED interest charges, teething troubles with new subsidiaries and problems with a Chilean fishing subsidiary combined to reduce pre-tax profits of Fedfood, the diversified South African food group.

Income — before tax and interest — rose by 9.1 per cent to R39.3m (\$36.6m) in the year ended March 31, in 1980-81 the profit was R36m. But the interest bill rose to R10.9m from R5.2m which lowered pre-tax profits to R28.4m from R30.8m. Even at the pre-interest level, the percentage increase in profits was lower than that recorded by most competing groups.

Turnover rose by 24.1 per cent, to R551m from R444m. New investment and capital extensions, the directors say, made only a small contribution to group profits because of high finance costs and initial low returns. There has been a major extension of the group's frozen food production facilities and additional distribution operations have been acquired.

In Chile, the partner in a fishing venture is in financial difficulties and Fedfood is having to monitor carefully its investment in the country. The directors say, however, that the investment is not material.

A note of optimism is struck by the directors' statement that as yet, no noticeable decreases have been discerned in the sectors in which Fedfood operates.

Meanwhile, the total dividend has been increased to 36 cents a share from 34 cents. Earnings rose to 32.9 cents from 28.1 cents a share.

## Strong growth shown by Imperial Cold Storage

BY OUR JOHANNESBURG CORRESPONDENT

AN INCREASE of 27.6 per cent in pre-tax profits is registered by Imperial Cold Storage (ICS), the South African holding company with interest in red meat distribution, poultry, dairy products, fish and frozen vegetables. The profit was R32.2m (\$30m) for the year ended February, compared with R25.2m previously. Turnover rose to R948m from R768m.

A total dividend of 20 cents a share, against 18 cents previously, has been declared from earnings of 64.8 cents a share, against 50.2 cents.

The company is having to set aside large amounts of cash for capital projects and increased working capital. For this reason the rate of increase in dividends has been kept below that of earnings. ICS is spending heavily on farming operations. Barlow Rand is acquiring control of ICS and will hold the shares through its subsidiary C. G. Smith. Already 27 per cent of the ICS equity has been acquired from the Old Mutual insurance company and a further 20 per cent will be acquired on completion of the merger of C. G. Smith's sugar interests with the food group Tiger Oats.

## UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1975=100); retail sales value (1975=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Ind. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemp.	Vacs.
1981							
1st qtr.	99.6	88.8	96	106.6	130.8	2,282	100
2nd qtr.	99.9	88.9	92	104.7	134.5	2,482	89
3rd qtr.	99.9	88.9	94	106.5	139.1	2,641	96
4th qtr.	100.3	89.9	88	105.4	168.5	2,752	104
Sept.	100.3	90.4	87	105.5	138.5	2,692	97
Oct.	101.8	91.5	94	106.2	147.8	2,553	99
Nov.	100.1	90.0	92	105.6	158.4	2,760	104
Dec.	99.1	88.1	79	104.6	192.1	2,769	108
1982							
1st qtr.	99.7	89.4	96	106.6	141.2	2,818	112
Jan.	99.2	88.3	96	107.0	143.9	2,812	112
Feb.	99.7	89.9	96	106.1	137.6	2,818	112
March	100.2	90.2	96	106.6	142.3	2,823	111
April				106.0		2,823	110

OUTPUT—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels), engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invest. goods	Intmd. goods	Eng. output	Metal mfg.	Textile	Housg. starts*
1981							
1st qtr.	93.6	88.3	117.2	84.2	75.7	76.8	10.9
2nd qtr.	93.1	88.7	118.0	84.5	78.7	75.6	14.1
3rd qtr.	93.5	89.3	118.7	86.2	77.2	75.0	14.2
4th qtr.	93.4	90.0	121.3	86.2	82.7	75.6	11.8
Sept.	93.0	90.0	120.0	87.0	79.0	75.0	15.4
Oct.	95.0	90.0	124.0	87.0	86.0	76.0	13.4
Nov.	93.0	90.0	121.0	86.0	83.0	76.0	14.1
Dec.	92.0	90.0	119.0	86.0	79.0	75.0	7.7
1982							
1st qtr.	91.9	91.3	119.4	87.1	83.0	73.7	14.7
Jan.	91.0	91.0	119.0	86.0	80.0	73.0	11.4
Feb.	93.0	91.0	119.0	87.0	84.0	74.0	15.6
March	92.0	92.0	120.0	88.0	85.0	74.0	17.1

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance (current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. trade
1980							
4th qtr.	126.4	111.4	+1,265	+2,114	+222	105.2	27.90
1981							
1st qtr.	126.4	111.4	+1,265	+2,114	+222	105.2	27.90
2nd qtr.	132.4	128.4	+452	+1,470	+696	99.8	26.73
3rd qtr.	118.9	107.8	+334	+767	+230	105.1	28.43
4th qtr.	129.8	128.2	+16	+191	+201	99.6	28.97
Sept.	132.4	128.2	+452	+1,470	+696	99.8	26.73
Oct.	134.4	136.3	-79	+227	+205	100.1	23.46
Nov.	130.6	120.6	+135	+641	+419	100.4	23.35
Dec.	119.5	124.4	-323	+348	+168	101.2	23.23
1982							
Jan.	125.4	120.6	+174	+654	+270	100.6	23.37
Feb.							18.97
March							18.16

Trade figures for March-August 1981 not available because of Civil Service dispute.

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1	M3	Bank advances	DCE	BS inflow	HP lending	MLR
1981							
1st qtr.	6.8	8.8	12.4	+1,308	1,081	1,884	12
2nd qtr.	23.1	17.3	6.5	+4,250	1,103	1,936	12
3rd qtr.	8.1	18.1	29.7	+5,938	868	2,019	—
4th qtr.	14.2	17.2	19.8	+2,240	290	658	12
July	0.8	14.5	35.4	+1,240	244	659	—
Aug.	9.7	22.8	34.3	+2,458	334	706	—
Sept.	4.7	20.2	24.0	+1,532	154	681	—
Oct.	7.6	17.3	20.4	+445	85	642	—
Nov.							—
Dec.							—
1982							
1st qtr.							
Jan.							
Feb.							
March							
April							

INFLATION—Indices of earnings (Jan 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earn. logs*	Basic matis.*	Wholesale mfg.*	RPI*	Foods*	FT* comdty.	Strg.
1981							
1st qtr.	196.3	213.8	212.3	280.4	268.7	261.56	101.4
2nd qtr.	202.2	225.8	219.4	294.0	277.0	245.97	97.8
3rd qtr.	209.9	226.9	224.1	298.1	278.8	260.83	96.6
4th qtr.	214.6	227.3	229.2	306.5	285.6	248.97	89.7
Oct.	212.5	238.2	227.8	308.7	282.7	259.12	88.2
Nov.	214.3	236.9	229.4	306.9	285.5	245.79	90.1
Dec.	217.1	236.8	230.4	308.8	288.5	248.97	90.8
1982							
1st qtr.	216.9	238.0	234.4	311.6	297.7	242.40	91.1
Jan.	214.1	238.9	233.9	310.6	296.1	232.94	91.1
Feb.	217.0	239.9	234.6	310.7	297.2	241.77	91.5
March	219.5	235.2	235.6	313.4	299.8	244.00	90.8
April		238.4	237.2			246.84	90.0

\* Not seasonally adjusted.

## Van Der Horst expands by U.S. takeover

By Georgie Lee in Singapore

VAN DER HORST, the Singapore-based engineering group, has acquired Rig Supply Inc. for \$1.7m in cash.

Rig Supply, based in Texas, is primarily engaged in developing and manufacturing drilling and pipe handling tools used on gas, oil and water wells. Its pre-tax profit for 1980-81 was \$320,000.

The acquisition will be financed from Van Der Horst's internal resources and the shares will be held through its wholly-owned U.S. subsidiary.

Van Der Horst said that the acquisition represents an important expansion of its manufacturing services to the oilfield industry. It will provide access to higher technology and to U.S. drilling and oil field markets.

## ACI profit advance falls short of mid-term hopes

BY OUR FINANCIAL STAFF

AUSTRALIAN Consolidated Industries, the major diversified industrial group, has reported a 42 per cent rise in net profits to A\$68.74m (US\$68m) for the year ended March.

The glass, packaging and plastics group recorded a 64 per cent increase in turnover to A\$1.64m. ACI's growth slowed, however, in the second half after reporting a doubling of interim net profits to A\$36.02m. This suggested that full-year profits of A\$75m were possible.

The company has declared an unchanged final dividend of 7.5 cents a share. It paid an unchanged interim dividend, also of 7.5 cents a share.

ACI's full-year net earnings were sharply hit by an increase

in the tax bill to A\$58.70m from A\$19.97m a year earlier, higher depreciation (A\$65.82m against A\$44.05m), interest charges of A\$37.78m against A\$23.21m, and minority interests of A\$10.39m against A\$12.06m.

ACI's profit growth was restrained in the second half of the year by difficult trading conditions and higher wages and finance costs. The increased interest payments related to the funding of some non-resource acquisitions and higher interest rates.

The year-end results benefited from the first time inclusion of Acomil, the building and industrial supply group it acquired for A\$240m in 1981.

But the group suffered from a loss on its U.S. operations.

## Samurai bond issue pace to be increased

By Our Tokyo Correspondent

THE SAMURAI bond market, for foreign yen-denominated bonds issued in Japan, will be allowed to expand to a monthly pace of ¥75bn (\$316m) of new public issues from July. This compares with a monthly rate of ¥55bn for May and June.

The loosening of the market is aimed at least partly at meeting increasing foreign pressure for greater access to yen borrowing.

Underwriters say that around 30 or more potential borrowers are now in the queue for yen issues. In addition, the authorities now appear more relaxed about the prospects for the yen.

Long-term yen borrowing has become extremely attractive, compared with dollar bonds. The latest samurai issue by the EEC carried a coupon of 8 per cent.

In July, there will be four public issues (compared with three this month and next). These are a ¥20bn issue by Procter and Gamble, ¥20bn by Venezuela, 15bn by Manitoba and ¥20bn by Finland. The latter squeezed in after plans to expand the market were confirmed.

● The Japanese Government will have to issue large amounts of additional national bonds in fiscal 1982, which started April, to cover shortfalls in national tax income, according to the Underwriters Association. Reuter reports from Tokyo.

This announcement appears only as a matter of record.

A wholly-owned subsidiary of  
**Aktivbanken A/S**  
Denmark

has acquired

**National Bank of Long Beach**  
United States

The undersigned initiated this transaction and  
acted as financial advisor to Aktivbanken A/S.

Corporate Finance Department



A Member of the Standard Chartered Bank Group

This advertisement complies with the requirements of the Council of The Stock Exchange.

U.S. \$125,000,000

**Superior Overseas Finance N.V.**  
(Incorporated with limited liability in the Netherlands Antilles)

14% Guaranteed Notes Due 1989

Unconditionally guaranteed as to payment of  
principal, premium, if any, and interest by

**The Superior Oil Company**  
(Incorporated in Nevada)

The following have agreed to subscribe or procure subscribers for the Notes:

Credit Suisse First Boston Limited

Banque Nationale de Paris

Banque de Paris et des Pays-Bas

Deutsche Bank Aktiengesellschaft

Morgan Guaranty Ltd

Morgan Stanley International

Salomon Brothers International

Swiss Bank Corporation International Limited

Union Bank of Switzerland (Securities) Limited

S. G. Warburg &amp; Co. Ltd.

Wood Gundy Limited

The issue price of the Notes is 100 per cent. The Notes have been admitted to the Official List by the Council of The Stock Exchange, subject only to the issue of the temporary global Note.

Interest is payable annually in arrears on 1st June, the first payment being made on 1st June, 1983.

Full particulars relating to the Notes, Superior Overseas Finance N.V. and The Superior Oil Company are available in the Extel Statistical Service and may be obtained during usual business hours up to and including 3rd June, 1982 from the brokers to the issue:

Cazenove & Co.,  
12 Tokenhouse Yard,  
London EC2R 7AN  
20th May, 1982

This advertisement complies with the requirements of the Council of The Stock Exchange.

50,000,000

**IPF (Illinois Power Finance) Company N.V.**  
(Incorporated with limited liability in the Netherlands Antilles)

14 1/2% Guaranteed Debentures Due 1989

Unconditionally guaranteed as to payment of  
principal, premium, if any, and interest by



**Illinois Power Company**  
(Incorporated in Illinois)

The following have agreed to subscribe or procure subscribers for the Debentures:

Credit Suisse First Boston Limited

Algemene Bank Nederland N.V.

Banque Bruxelles Lambert S.A.

Banque Nationale de Paris

Banque de Paris et des Pays-Bas



## Moët-Hennessy

At the meeting held on 22nd April 1982, the Board of Directors of Moët-Hennessy closed the accounts for the year ended 31st December 1981. The balance showed a profit of F73,031,455.

The General Meeting of shareholders to be held on 24th June 1982 will be asked to approve the distribution of a dividend of F9 per share, which, taking into account the tax already paid to the Treasury (tax credit of F4.50), will amount to a total revenue of F13.50. An initial dividend of F7 already having been paid on 1st February 1982, the dividend for the year as a whole amounts therefore to F16, i.e. a total revenue of F24, taking into account the tax already paid to the Treasury. This is an increase of 23% compared with last year.

Consolidated Profit and Loss Account of the Moët-Hennessy Group (in millions of francs)		
	1981	1980
Turnover excluding tax	4,178.6	2,923.6
Trading profit	661.1	383.4
Net profit	342.6	194.8
Cash-flow	438.7	261.2

The consolidated turnover therefore shows an increase of 43%, the trading profit an increase of 72% and the net profit an increase of 75%.

It should be noted that a new method for entering provisions for price increases and expansion abroad in the accounts has been adopted.

Taking these changes into account, the consolidated net profit shown above corresponds very closely to the adjusted net profits for previous years. However, in order to allow an exact comparison with the results for 1980, the latter have been recalculated in exactly the same manner.

Furthermore, any analysis of the increase in the activity and profits of the group for 1981 must take into account the integration in the consolidated accounts of our new subsidiary Schieffelin and Co. for the first time. The increase is also to a large extent due to the strong upward movement of the dollar during 1981.

### Champagne and other wines

The turnover of the champagne business for 1981 amounted to F1,969 thousand million, an increase of 46% compared with 1980. The trading account shows a profit of F340 million, compared with F251 million in 1980. The net profit amounts to F182 million, compared with F132 million for the previous year.

### Cognac and other spirits

The turnover for the cognac sector has increased from F775 million to F1,179 thousand million for the current financial year. The substantial increase in sales, particularly on the American market, has led to a considerable increase in the trading profit and the net profit, which amount to F203 million and F112 million respectively.

### Perfume and cosmetics

For the first time, the turnover for this sector as a whole has exceeded F1 thousand million, amounting to F1,029 thousand million, an increase of 28.4%. The same level of increase was shown by both Dior and Roc. The trading profit has followed the same trend as it amounted to F146 million, compared with F89 million in 1980. The net profit for this sector amounted to F61 million, an increase of 43% over 1980.

It should also be noted that, although the financing expenses for the group companies taken as a whole increased by 24% during the year, they have decreased considerably as a percentage of the turnover, since they now represent only 5.5% of the turnover compared with 6.3% in 1980.

Moreover, the investments of the French companies amounted to F106 million compared with F72 million the previous year.

## Companies and Markets

## INTL. COMPANIES & FINANCE

# Minerals magnetise CSR

BY MICHAEL THOMPSON-NOEL IN SYDNEY

CSR IS in many ways the very model of a modern Australian company — large, aggressive, forthright, with its eyes fixed squarely on the country's minerals and energy resources. Recently, CSR completed a US\$850m refinancing package to cover the US\$600m purchase of Delhi International Oil Corporation, the U.S.-based oil group with most of its interests in Australia, and development of Delhi's share of the Cooper Basin liquids scheme in Queensland and South Australia. Late last year it made an AS135m (US\$150m) rights issue to back its expansion plans.

The Cooper Basin is Australia's most important on-shore oil and gas property. It supplies Sydney and Adelaide with gas, and it has proven and probable reserves of more than 3,700bn cu ft of gas, and more than 300m barrels of oil and gas liquids.

In addition, CSR is involved in coal, iron ore, sugar, building materials, civil engineering and construction aluminium chemicals, tin, copper, gold and uranium.

It began life in Sydney in 1895 as the Colonial Sugar Refining Company, and until the late 1960s remained basically a sugar company.

Indeed, in the year to March 31 1981, its sugar division — enjoying boom conditions — contributed AS\$8.3m of its net profits, or 52 per cent of the total AS\$15.7m (US\$119.5m), against the AS\$2.1m, or 19.7 per cent, put in by building materials, AS\$15.5m by energy, AS\$10.1m by aluminium and chemicals, and the AS\$6.1m of minerals.

In the current year, profits from sugar will be dramatically lower, because of the collapse of world sugar prices and higher production costs.

CSR's annual profit figures are expected to be announced somewhat later this year than previously, in early July as against early June, reflecting the pace of change.

Earlier this year, however, Potter Partners, the Australian sharebroker, said it expected a fall in net profit for CSR in 1981-82 from AS\$112.1m to around AS\$84m. Lately, its estimate has fallen slightly, to "maybe AS\$78m to AS\$80m" because of further turmoil in the sugar market, on top of

lower minerals earnings, and depressed conditions in alumina. But higher profits are expected by the shareholders in building materials, and in energy, where a more-than-doubled contribution from coal is foreseen from the AS\$6.4m of 1980-81, more than offsetting a fall in profit from the oil and gas and contract drilling sector as a higher exploration write-off is charged against profit.

For the six months to September 30 last year, the group's profit was AS\$42.5m, a 30 per cent decline on the first half of 1980-81.

The main reason for the decline was the sharp fall in profits from sugar milling, the average free world market price for sugar last October being £228 a tonne lower than in

that has been hailed as a significant achievement in project financing.

The Delhi loan package, arranged with a consortium of Australian and overseas banks, is easily the biggest such borrowing made by an Australian company. It covers the cost of acquisition: accrued interest over a three-year period, prior to generation of cash flow from the liquids project, and Delhi's share of exploration and development expenditure.

The total capital cost of the project is AS\$1bn, of which Delhi's share is approximately 30 per cent.

Delhi's resource base covers approximately 24m net acres in the Permian, Cooper and Pedirka basins, and in the overlying Jurassic Eromanga basin.

The minerals and energy resources of Australia have attracted CSR into laying out more than US\$1bn in the past three years on the acquisition of two companies alone — Thiess Holdings, the coal miner, and Delhi International, the U.S.-based concern with a stake in oil and gas in Australia's Cooper Basin. The range of the company's diversification has taken in base metals, gold and uranium, aluminium, the Julia Creek oil shale field, as well as coal liquefaction, which has been studied in conjunction with Mitsui of Japan. Nevertheless, fluctuations in the sugar market maintain a commanding influence on profits

October 1980 at £160.

Other CSR activities showing lower profits in the first half of 1981-82 included pastoral properties — CSR operates 25 cattle, sheep and grain properties, totalling about 4m hectares — distilleries, industrial chemicals, the Gove bauxite and alumina project, and the MT Gueson copper mine.

On the other hand, higher interim profits were achieved in coal, and in most of the producing groups of the building materials division, while larger dividends were received from its tin mining interests in Indonesia.

The key to CSR's philosophy and energetic growth is its determination to secure, and then consolidate strategic positions in natural resource sectors with better-than-average growth prospects.

Hence arises its purchase, for AS\$20m (US\$600m) of Delhi six months ago, an acquisition giving CSR a substantial presence in oil and gas, and one

De Golyer and MacNaughton, the engineering consultants of Dallas, Texas, estimated Delhi's share of proven and probable Cooper Basin reserves at May 1981, at 763bn cu ft of gas, and 57m barrels of liquids (including 27m barrels of ethane).

It has been said, therefore, that CSR paid a significant premium for Delhi's future potential reserves, which De Golyer and MacNaughton estimated at 773bn cu ft of gas, a doubling of current reserves, and 158m barrels of liquids, approximately 2.8 times current reserves.

"Significant" premium or not, a CSR director says, the rapid rate of discoveries in the Cooper Basin has "exceeded our wildest dreams," and CSR was delighted with its purchase.

Shipments of liquids from the Cooper Basin is expected to start early next year, although profits will not be significant before the mid-1980s. In the second half of the decade, it is thought, they will mount steeply.

A project currently on the

back burner is CSR's Julia Creek oil shale prospect, west of Townsville in North Queensland. The full-scale project would cost more than AS\$5bn at current prices, but development is unlikely before the 1990s, if then. The company said this week: "Julia Creek has a lower priority than it did, because of changed market conditions and the prominence being given to Delhi."

Delhi and Julia Creek apart, CSR is developing in ways which include: —  
● Coal: It bought Thiess Holdings for AS\$460m (US\$490m) in 1979, and now has a major stake in the industry, although shipping and industrial problems, as well as the recent increase in the total Government take, have countered some of the benefits of higher prices.

● Aluminium and chemicals: The world aluminium trade is depressed at present. This division, nevertheless, contributed AS\$10.1m in profit in 1980-81, and CSR said recently that work on the AS\$600m Tomago aluminium smelter, in the Hunter Valley in New South Wales, was progressing on schedule.

CSR's interest in Tomago is held through its 51 per cent stake in Gove Alumina, which will supply 35 per cent of the smelter's alumina needs, and market 35 per cent of the metal produced.

● Metals: CSR owns 68 per cent of the Mt Gueson copper mine, in South Australia. Recently it bought the Paranga gold leases on the Golden Mile, at Kalgoorlie, Western Australia, and is exploring the Mt Pleasant molybdenum/tungsten prospect near Mudgee, New South Wales. In the dividends of AS\$3m were received in 1980-81 from Kajuara Mining of Indonesia. In the past, CSR has kept a very low profile on uranium, though it has interests in small deposits in South Australia, Queensland and Western Australia, and may well extend its holdings.

● Building materials: A strong profits performance has been seen in this area, with interests that include wallboards, flooring, roof tiles, insulation, concrete and quarrying. At present, Australian mortgage rates are high, but office space is in short supply, and there are many



Mr R. G. Jackson, chief executive officer of CSR since 1972, who has worked in a decade in which the 127-year-old Colonial Sugar Refining has taken up new challenges

hotel and leisure projects planned;

● Sugar: The Australian sugar industry is one of the most efficient in the world. CSR, which is the country's largest sugar miller, also runs marketing, technical, finance and bulk-handling services.

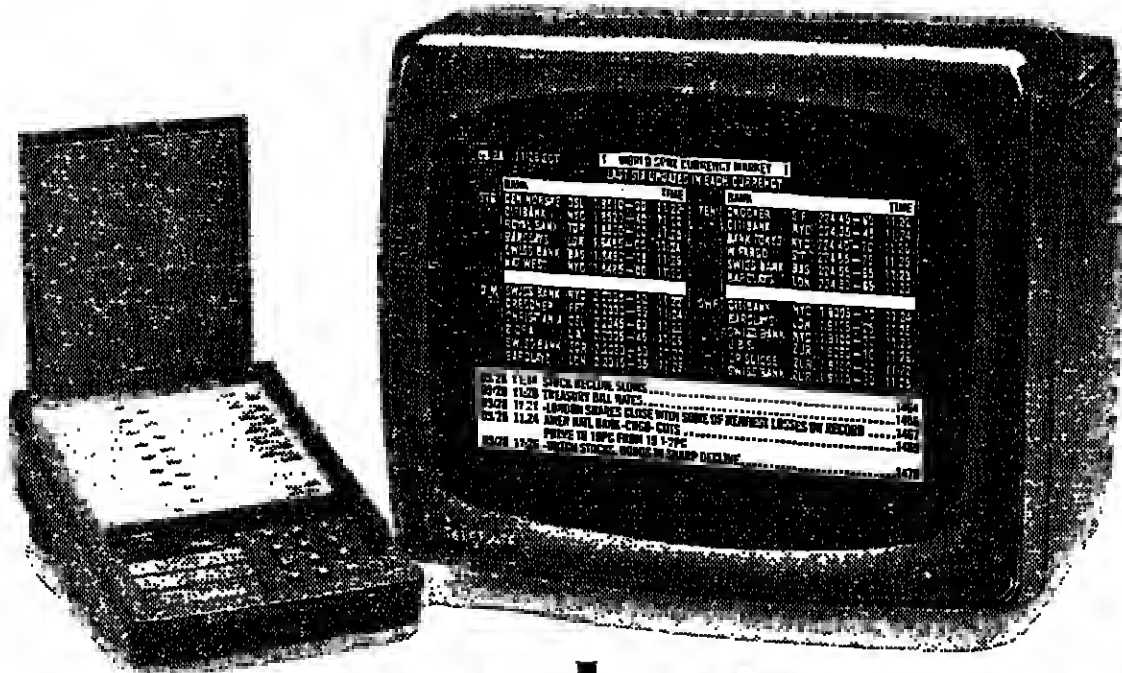
● Pastoral business: The company's cattle, sheep and grain properties are hostage to drought and fluctuating commodity prices, but are said to represent net assets of AS\$40m to AS\$50m. On the side, it accounts for about a third of the world's output of macadamia nuts, producing about 1,000 tonnes in Queensland, and 4,000 to 5,000 tonnes in Hawaii. "The macadamia," says CSR with quiet pride, "is the world's premier nut."

In future, limited recourse financing will continue to be important to CSR in arranging development of large resource projects, though smaller commitments will be funded by a combination of debt, equity and cash flow.

Over the four years to last March 31, CSR's net profits growth was approximately 22 per cent per annum compound.

In Sydney, CSR is reckoned to have strong medium- to long-term appeal because of its strategic position in several resource- and resource-related sectors. Moreover, it is seeking to combine greater diversity and stability of earnings with the important speculative edge that comes through strong exposure in oil and gas. Its prospects reflect those of the Australian economy as a whole.

## At Telerate, we put our computers to work...



## ...not our subscribers.

Are you spending too much time punching keys to get the information you want? At TELERATE, we think your screen should work for you...not the other way around.

TELERATE's composite pages provide a broad range of data on a single display...multiple contributor quotes...cash and futures markets side by side...scrolling news headlines...

And much more.

TELERATE—Innovation and Flexibility.



An International service  
of AP-Dow Jones

## TELERATE

NEW YORK One World Trade Center, 104th floor, NY 10048 □ (212) 938-5200  
HONG KONG New Mercury House, Waterfront Road □ 852 5 274 324  
LONDON 83-86 Farringdon Street, E.C. 4A, 4BR □ 44 1 353 1515  
SINGAPORE Robina House, Shenton Way, 0106 □ 65 220 1849

Amsterdam / Bahrain / Basel / Bern / Brasilia / Brussels / Copenhagen /  
Duesseldorf / Frankfurt / Geneva / Hamburg / Lausanne / Lugano /  
Luxembourg City / Manila / Mexico City / Montreal / Nassau /  
Oslo / Paris / Rome / Stockholm / Tokyo / Toronto / Vancouver / Zurich

This advertisement complies with the requirements of the Council of The Stock Exchange.

U.S. \$75,000,000

W. R. GRACE N.V.

(Incorporated in the Netherlands Antilles)

14 3/4% Guaranteed Notes Due June 1, 1989

Unconditionally Guaranteed by

W. R. GRACE & CO.

(Incorporated in Connecticut)

The following have agreed to subscribe or procure subscribers for the Notes:

Merrill Lynch International & Co.

Algemeene Bank Nederland N.V.

Bank Brussel Lambert N.V.

Banque de Paris et des Pays-Bas

Daiwa Europe Limited

Dresdner Bank

Aktiengesellschaft

Société Générale de Banque S.A.

Banca del Gottardo

Banque Nationale de Paris

COMMERZBANK

Aktiengesellschaft

Morgan Grenfell & Co. Limited

Orion Royal Bank Limited

Union Bank of Switzerland (Securities) Limited

The Notes, to be issued at 99 1/8 per cent, have been admitted to the Official List by the Council of The Stock Exchange subject only to the issue of the temporary Global Note. Interest will be payable annually in arrears on June 1, beginning June 1, 1983.

Full particulars of the Notes are available in the Erel Statistical Service and may be obtained during usual business hours on any weekday (Saturdays and public holidays excepted) up to and including June 2, 1982 from the broker to the issue:

May 20, 1982

Cazenove & Co.,  
12 Tokenhouse Yard,  
London EC2R 7AN

U.S. \$100,000,000

B.B.L. International N.V.

(Incorporated with limited liability in The Netherlands)

Floating Rate Notes Due 1986

Guaranteed on a Subordinated Basis  
as to payment of principal and interest by

## BBL

Banque Bruxelles Lambert S.A./

Bank Brussel Lambert N.V.

(Incorporated with limited liability in Belgium)

In accordance with the provisions of the Notes, notice is hereby given that for the six month Interest Period from 20th May, 1982 to 22nd November, 1982 the Notes will carry an Interest Rate of 15 1/4% per annum and the Coupon Amount per U.S. \$5,000 will be U.S. \$389.11.

Credit Suisse First Boston Limited  
Agent Bank



Banco de la Provincia de Buenos Aires  
(A public entity organised under the laws of the Republic of the Argentine)

U.S. \$50,000,000

Floating Rate Notes due 1988

Redeemable at the Noteholder's option in November, 1986

For the six months

20th May, 1982 to 22nd November, 1982

In accordance with the provisions of the Note, notice is hereby given that the rate of interest has been fixed at 15 1/4% per cent. and that the interest payable on the relevant interest payment date, 22nd November, 1982 against Coupon No. 2 will be U.S. \$389.11.

Agent Bank:

Morgan Guaranty Trust Company  
London



## APPOINTMENTS

## Post Office senior posts

The POST OFFICE has made four senior appointments. Mr. Webb has been appointed director of London operations from June 7. For the past 18 months he has been director of south eastern postal region. The new director for the south east is to be Mr. Cedric Briscoe, who is director of postal finance at postal headquarters in London. Mr. Jerry Baxter has been appointed secretary to the corporation on a short term contract. Mr. Baxter, a former director of postal personnel, has spent the past nine years as director, personnel department, at the European Commission. Mr. John Roberts, who has had a dual role as both secretary to the corporation and director counter services, will now work full time on counter services.

Mr. Michael L. Roberts has been appointed commercial director of THERMALITE. He retains his responsibilities as company secretary and his directorships of Langfreight and T. Hunt and Sons.

Mr. Chris Newton-Smith has been appointed general sales manager for T. C. THOMPSON AND SON, Manchester. He was national sales manager at A. B. Dick.

CHARTERED TRUST, a member of Standard Chartered Bank Group, has appointed Mr. R. T. Sharpe as general manager, marketing.

The BRITISH AGROCHEMICALS ASSOCIATION has appointed Dr. Derek Cornthwaite marketing director, ICI Plant Protection Division, as chairman for 1982-83. New

deputy chairman is Mr. David Anslow, general manager, agricultural division, Shell Chemicals UK. Mr. G. L. Angell, chairman for 1981-82, will become immediate past chairman. Dr. A. Hayes will continue for 1982-83 as BAA's representative to the general assembly of the international federation of national associations of pesticide manufacturers, based in Brussels.

Mr. Jim Pyner, previously managing director of Cleaners (Southern Division), has been appointed managing director of CLEANERS, a wholly-owned subsidiary of Pritchard services group.

Mr. Edward J. Wynne has been appointed director, manufacturing development, of TIRON EMI GENERAL ENGINEERING, and will be responsible for standards of production facilities and methods throughout the UK and overseas companies. He was director of manufacturing at Round Oak Steel. Mr. David Cropper has been appointed director, export development, at TIRON EMI General Engineering. He was marketing director at TI Raleigh.

Mr. Richard Miles has been appointed a director of MONO PUMPS and will become executive chairman of the Mono Group on June 1. He will continue as executive chairman of Saunders Valve Co. Both organisations are wholly-owned subsidiaries of Gallaher.

Mr. Victor W. Hughff has been appointed deputy chief central manager of the NORWICH UNION INSURANCE GROUP from July 1. He will continue as

general manager and actuary. Mr. Hughff has been a director of the principal companies of the Norwich Union Group since January last year.

Because of ill health Mr. Walter E. Burns has retired as joint managing director of ALEXANDERS HOLDINGS.

Mr. R. J. Davies has been appointed vice-president and general manager (UK and Ireland) of AMERICAN EXPRESS INTERNATIONAL BANKING CORP. He joined AEBIC in 1966 and has served as vice-president and general manager in India, Pakistan, and Greece, and was managing director and general manager of American Express Bank Spa, Italy.

Mr. John Pybus has been appointed as a director of B. & P. INSTRUMENTATION, a subsidiary of the Ocean Venture Group.

The SOCIETY OF COMPANY AND COMMERCIAL ACCOUNTANTS has elected Mr. John Mather, as chairman of council (president) and Mr. F. J. Bergin as vice-chairman (vice-president).

Mr. Christopher Perwee, chief executive of the Perwee Group, is the new president of UKASTA the United Kingdom Agricultural Supply Trade Association. BOCM's managing director, Mr. Allan Price, is the new deputy president.

Mr. John E. Kates has been appointed divisional director responsible for Middle East business development for JOHN BROWN ENGINEERS & CON-

STRUCTORS. He joins John Brown after six years with Procon, latterly as marketing director.

SEABOARD INTERNATIONAL (TIMBER & PLYWOOD) has appointed Mr. E. R. Annan as managing director. He was director of sheet materials.

Mr. Philip de Zulueta has been appointed a director of IMPERIAL CONTINENTAL GAS ASSOCIATION. He is special adviser in the board of the Hong Kong Bank Group and is also a director of a number of companies including Banque Belge, Tanks Consolidated Investments and Union Minière S.A.

Mr. Peter Smele has been appointed marketing and sales director for GRANDMET CATERING SERVICES, from June 1. For the past two years he has been marketing director of Wimpy International.

Mr. Geoffrey Clarkson has been appointed company secretary of LONDON AND MANCHESTER GROUP and London and Manchester Assurance Co. from June 1. Mr. F. Collin and Mr. T. W. Thurn will retain their present appointment as joint secretaries.

Mr. Desmond James has been appointed a director of GRANADA GROUP. He has been group secretary since 1967. He is also a director of L'Espresso and Eurotel, Granada's insurance companies in Belgium, and of Teletext, Granada's overseas TV rental business.

Mr. J. M. Kretschmer has retired from the board of RUSK & TOMPKINS GROUP. He was chairman of Reed & Malik since 1975 and has been a non-executive director of Rush & Tompkins Group for the last 12 months.

This advertisement complies with the requirements of the Council of The Stock Exchange.

GTE Finance N.V. **GTE**

(Incorporated with limited liability in the Netherlands Antilles)

**U.S.\$75,000,000**  
**Retractable Notes due 1997**

The following have agreed to subscribe or procure subscribers for the above Notes

## Orion Royal Bank Limited

Algemene Bank Nederland N.V.  
Banque Internationale à Luxembourg S.A.  
Chemical Bank International Limited  
Continental Illinois Limited  
Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft  
Swiss Bank Corporation International Limited

Banque Bruxelles Lambert S.A.  
Blyth Eastman Paine Webber International Limited  
Commerzbank Aktiengesellschaft  
Crédit Lyonnais  
Salomon Brothers International  
Société Générale de Banque S.A.  
Westdeutsche Landesbank Girozentrale

The Notes, to be issued at 100% of their principal amount plus accrued interest, have been admitted to the Official List by the Council of The Stock Exchange, subject only to the issue of the temporary global Note.

Interest is payable annually in arrears on June 1, beginning June 1, 1983. The interest rate on the Notes will be 15% to June 1, 1985. GTE Finance N.V. may adjust the interest rate to apply throughout the following three year period with effect from June 1, 1985, 1988, 1991 and 1994. The Notes may be redeemed in whole or in part at the option of GTE Finance N.V., and any Noteholder may require GTE Finance N.V. to redeem or purchase his Notes, in each case at par on June 1, 1985, 1988, 1991 and 1994.

Particulars of the Notes are available in the Extel Statistical Service and may be obtained during usual business hours up to and including June 9, 1982 from:-

Orion Royal Bank Limited,  
1 London Wall,  
London EC2Y 5JX

and  
Cazenove & Co.,  
12 Tokenhouse Yard,  
London EC2R 7AN

May 20, 1982

£12m order for  
Philippines  
cigarette plant

AMF LEGG, Andover, UK division of AMF International, has won a £12m contract from the Philippines for the supply of equipment and technical services for two complete cigarette factory process plants. The order means more than 50 new jobs at Andover. The factories are to be constructed on a development site owned by the Fortune Tobacco Corporation at Metro Manila. AMF Legg will supply process machinery for the control systems together with mechanical handling, support equipment and service utilities. The contract is believed to be the largest cigarette factory project in South East Asia since the war. It is planned to start production in 1983.

DANIEL INDUSTRIES has orders for the gas, condensate and utilities metering systems

for the British Gas terminal at Barrow in Furness. The contracts are worth about £1m.

KENT PROCESS CONTROL, part of Brown Boveri Kent, has won an order worth more than £2m to instrument a petrochemical plant being built by Davy McKee at Nishnekamsk in the Tartar Republic of the USSR. The largest part of the order covers a 27-metre panel for the plant main control room. Equipped with over 500 Kent electronic instruments, controllers, indicators, recorders and ratio stations, it will also incorporate an active semi-graphic display for rapid operator access to plant status. As well as this central control facility, the company is also to supply the local control centres. This £50m linear alpha olefins plant is using the process developed by the Ethyl Corp. of Louisiana. When completed, the plant will produce some 750m MTY of alpha olefins, a year, to be used in the plastics industries for the production of detergents, and as special additives for lubricating oils.



Construction in progress at the Edmonton, North London, factory of Cryoplants on an air separation column for a plant that will provide essential oxygen to a major U.S. synthetic fuels project. The 1,000-ton-a-day facility to be constructed by Alcoa Energy Company Inc. at a final cost of £18m, is for the coal water coal gasification programme at Daguerre, California. The value of the contract to Cryoplants is £2m. Both Cryoplants and Alcoa Energy are members of The BOC Group.

INVEST IN 50,000  
BETTER TOMORROWS!

50,000 people in the United Kingdom suffer from progressively paralysing MULTIPLE SCLEROSIS—the cause and cure of which are still unknown—HELP US BRING THEM RELIEF AND HOPE. We need your donation to enable us to continue our work for the CARE AND WELFARE OF MULTIPLE SCLEROSIS sufferers and to continue our commitment to find the cause and cure of MULTIPLE SCLEROSIS through MEDICAL RESEARCH.



Please help—send a donation today to:  
Room F.1. The Multiple Sclerosis Society of G.B. and N.I.  
286 Munster Road, Fulham, London SW6 6BE

TRAIL  
BLAZERS

North Wales  
Queensferry



"The very positive attitude of the Local Trade Union combined with the willingness of the local people we recruited to learn and adapt to new skills, was for us a major influence in our decision to come to Clwyd. Ours was a new industry, but there was no shortage of people willing to get involved and become part of our team."



"Our search for the best possible site covered many areas throughout the UK, and Wrexham proved to be the ideal location... with its close proximity to major UK markets."

Blazing a trail at the frontiers of technology—and they have chosen to do so in Clwyd. They are not alone, over 200 new firms have done the same in the last 4 years.

Replacing steelmaking and other traditional staple industries over the last decade, Clwyd has built up a fine reputation as the place to be for expanding businesses or brand new ventures.

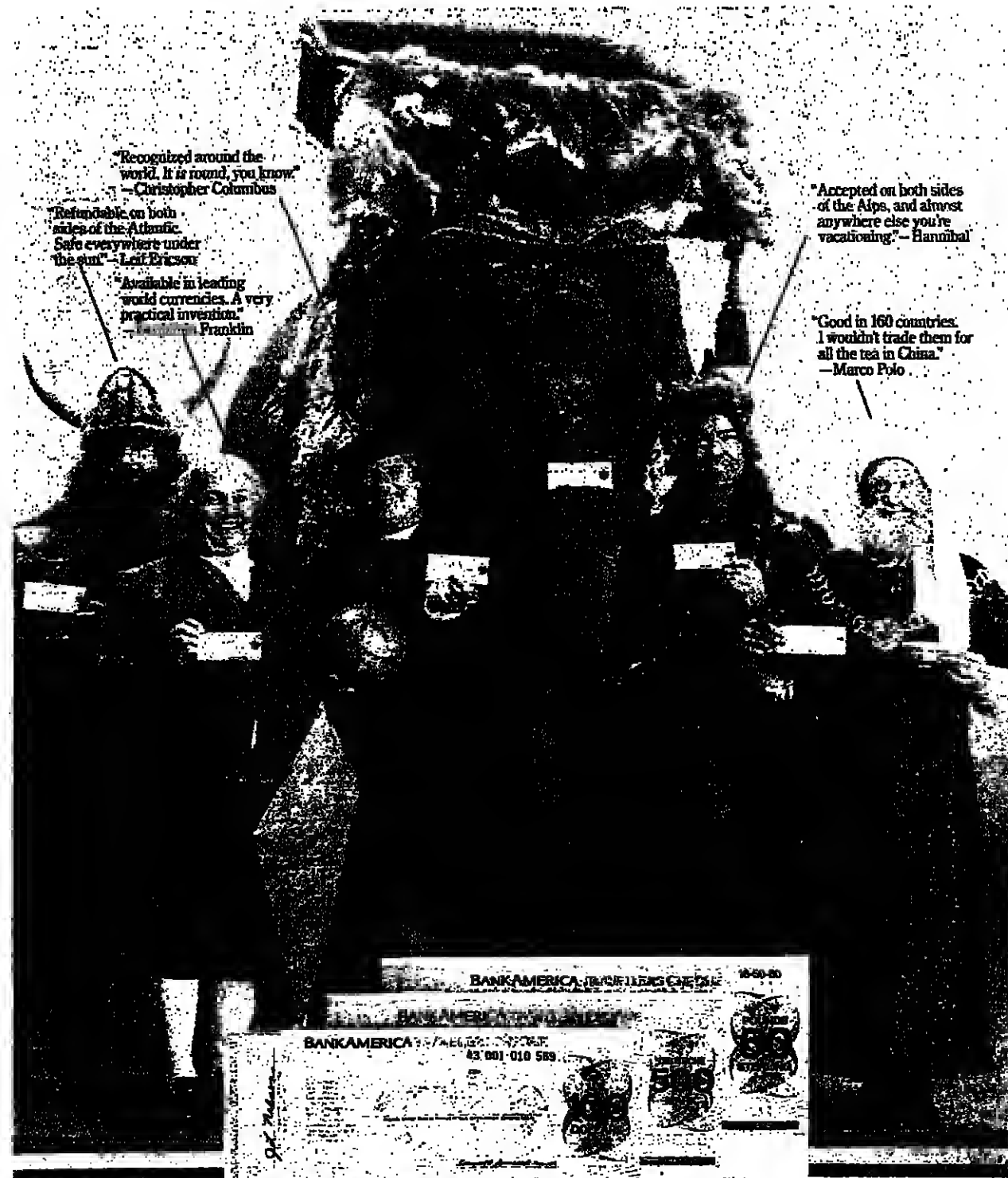
Why? We have a skilled and highly trainable workforce, as these companies have discovered for themselves.

Certainly the fine new motorway and dual-carriageway links to the central motorway network are vital for distribution—15 million customers are just two hours away. Or perhaps they were attracted by the maximum financial incentives provided—maybe they liked the environment—or our excellent labour relations record—or the notable absence of red tape.

There are many very convincing reasons which you will find set out in our colour brochure. For your copy contact Wayne S. Morgan, County Industrial Officer, Clwyd County Council, Shire Hall, Mold, Clwyd, North Wales. Tel: Mold (0352) 2121. Telex 61454

# Clwyd

offers you great potential in North East Wales



"Recognized around the world, it is round, you know." —Christopher Columbus

"Refundable on both sides of the Atlantic. Safe everywhere under the sun." —Laila Ericson

"Available in leading world currencies. A very practical investment." —Benjamin Franklin

"Accepted on both sides of the Alps, and almost anywhere else you're vacationing." —Hannibal

"Good in 160 countries. I wouldn't trade them for all the tea in China." —Marco Polo

## The money experienced world travelers carry.

Experienced world travelers know better than to carry ordinary money. They prefer BankAmerica Travelers Cheques—World Money. Not only are they accepted in over 160 countries and refundable in more than 40,000 places around the world, but now they are available in leading world currencies as well.

**BankAmerica Travelers Cheques World Money**

BA CHECK CORPORATION



# Accountancy Appointments

## CHANNEL FOUR

the new national television station based in the West End, needs the following personnel for its Finance Department:

### FINANCIAL ACCOUNTANT

Reporting directly to the Financial Controller, the Financial Accountant will be responsible for the day to day supervision of the Financial Accounts Department. This will include responsibility for the completion of accurate information for input into the computerised accounting system, overall control of payroll and all invoice payments, and all treasury activities. These responsibilities will involve close liaison with other departments within the organisation.

The ideal candidate will be a qualified Chartered Accountant aged between 28 and 38 with a good knowledge of computer-based systems and with some relevant post-professional experience.

Salary and conditions of service will reflect the seniority of the post. Ref. DS/1

### PROGRAMME ACCOUNTANTS

Programme Accountants will need excellent communicative skills as a large part of their work will involve reviewing, discussing and monitoring budgets and actual expenditures with independent producers and film makers. They will act as the link between the Finance Department, the Acquisition Department and the Producers of a number of different productions.

A considerable amount of their time will be spent on location. Ideally, applicants should be qualified Accountants aged between 25-35 with some television or film experience.

Salary and conditions of service are in line with those paid within the television industry. Ref. DS/2

### ASSISTANT PROGRAMME ACCOUNTANTS

The Assistant Programme Accountants will assist the Programme Accountants in reviewing, discussing and monitoring budgets and actual expenditures of large productions as well as being responsible for their own smaller productions. They will need to exhibit the same communicative skills as the Programme Accountants and will spend considerable time with independent producers, both in Channel Four's offices and on location.

Ideally, applicants should be qualified or part-qualified Accountants aged between 24 and 35 and film or television experience would be an advantage.

Salary and conditions of service are in line with those paid within the television industry. Ref. DS/3

Please write to Frank McGettigan, Channel Four Television Company Ltd., 60 Charlotte Street, London W1P 2AX, quoting the relevant reference number on the envelope. Applications should be submitted by 4th June 1982.

Channel Four is an equal opportunity employer: applications are welcome from candidates regardless of marital status, race, nationality, ethnic or national origins or sex and from registered disabled persons.



CHANNEL FOUR TELEVISION

## Chartered Accountant

For a senior role in Financial Analysis.  
Greenford, Middlesex

Glaxo Pharmaceuticals Limited is a principal UK operating Company of the Glaxo Group, a leading international pharmaceutical group with a successful research record in many therapeutic areas.

Glaxo Pharmaceuticals is the leading ethical pharmaceutical Company in the UK, but at the same time, the majority of our manufacturing output is exported. In addition, the Company is responsible for the co-ordination of Glaxo ethical marketing worldwide.

The finance function at the Company's Head Office at Greenford, Middlesex provides a complete range of accounting services for the Company and for a number of other UK Glaxo Companies, including the Research Company. The activities of these various Companies cover numerous locations and provide employment for some 12,000 people in the UK.

We now seek an outstanding professional who will become a senior member of our Management Accounting team at Greenford and play a leading role in analysing and interpreting financial data for senior management. The work will involve all aspects of financial management, including the financial analysis of world-wide marketing strategies.

The successful candidate will be a graduate who has several years post-qualification experience, will be technically competent, professionally up-to-date, articulate and able to communicate at all levels, both verbally and in writing. He/she should have the potential to assume high responsibilities in time.

The immediate remuneration package will be attractive, including London Weighting, productivity and profit-related bonuses and a non-contributory pension scheme. If you think you meet our requirements, please write to me, Alan Winn, Site Personnel Manager, Glaxo Pharmaceuticals Limited, Greenford Road, Greenford, Middlesex UB8 3HE.

**Glaxo Pharmaceuticals LIMITED**

## INTERNATIONAL ECONOMIST

City c.£17,000 + car

● Applications are invited for this important new appointment in a significant financial organisation. Economics graduates, male or female, with specialisation in international and monetary subjects, ideally supported by an MBA, will be appropriate. The preferred age is early thirties.

● Responsibilities will involve commentary, research and analysis of the medium term outlook for major currencies and interest rates, leading as well as establishment of risk ratings, exposure limits and lending strategies.

● To be effective quickly, experience gained in an international bank or corporation, a central bank or financial journalism is essential, and first hand knowledge of European, American and Far Eastern markets a major advantage. A highly confident communicating ability, backed by thorough knowledge of the subject matter, will be imperative to succeed with the senior financial people involved.

● This is a growth situation in which a person of appropriate knowledge and style will be able to make significant progress. To the salary as indicated will be added a subsidised mortgage, a car and other benefits appropriate to an up-to-date financial business.

Please send adequate particulars in confidence or telephone for an application form, quoting ref. IE, to S W J Adamson FCA, Director, Grosvenor Stewart Limited, Hamilton House, 15 Tilehouse Street, Hiltch, Hertfordshire. Telephone 0462 55303.



**GROSVENOR STEWART**

Executive Search and Selection  
London Brussels Frankfurt

The Institute of Chartered Accountants in England and Wales requires a...

## Secretary (Finance)

£20,000 - £25,000

London/Milton Keynes

The Secretary (Finance) is in effect the Financial Controller of the Institute and works in close conjunction with a member of the council, who acts as Treasurer and plays an active part-time role in financial policy and control.

The work involves the day-to-day control of an accounts department of 20 people currently located in Goswell Road, EC1, but will move to Milton Keynes in 1984.

Applications are invited from qualified accountants with relevant experience which should ideally include managing the introductions of computer systems.

It is unlikely that anyone under the age of 45 will have had the necessary experience.

The Institute has an attractive pension scheme and free medical insurance.

Please write enclosing your curriculum vitae to:

M. Hoyle,  
The Institute of Chartered Accountants in England and Wales,  
P.O. Box 433,  
Chartered Accountants' Hall,  
Moorgate Place, London, EC2P 2BJ.

## Corporate finance

City, to £15,000 + benefits



A major City based UK multinational insurance company seeks a qualified accountant, with corporate finance experience, to work in a specialist department which handles corporate finance, treasury matters and financial policy for the group. The job offers the opportunity for an ambitious candidate to make a substantial contribution to the financial strategies and management of the company. Candidates will be expected to show a record of innovative achievement and an ability to work independently.

Starting salary will be up to £15,000 plus substantial fringe benefits, including low rate mortgage facilities and a first class pension scheme.

Resumes, which will be acknowledged and forwarded to our client unless a covering letter gives contrary instructions, to E J Robins, Executive Selection Division, Ref. R089.

**Coopers & Lybrand associates**

Coopers & Lybrand Associates Limited  
management consultants

Shelley House, Noble Street  
London EC2V 7DQ

## Management Audit

Hoechst UK is part of a major international group which is involved world-wide in the manufacture and supply of a wide range of industrial and consumer products.

As a result of the appointment of our previous Internal Auditor to a senior management position in one of our subsidiaries, we are now seeking a replacement. The Internal Auditor is a senior position which reports directly to the Chairman of the Finance Division. The job involves carrying out management audit both within Hoechst UK and in a number of our UK subsidiaries.

Candidates should be Chartered Accountants with a minimum of 3-4 years post qualification experience in an international firm of accountants in industry or commerce.

We are offering a competitive salary and benefits package, as would be expected of a major international organisation.

If you are interested, please write or telephone for an application form to: Mrs C. J. Browne, Personnel Officer, Hoechst UK Limited, Salisbury Road, Hounslow, Middlesex, TW4 6JH. Tel: 01-570 7712. Extn 3090.

**Hoechst**



## SENIOR SYSTEMS ACCOUNTANT

Development and Implementation  
c. £15,000 + car

**SAINSBURY'S** have achieved record growth and profitability in recent years and an important integral part of such growth and development are its computer control systems.

They are now seeking a qualified accountant with considerable experience of such systems to be a senior member of the team working on the development and implementation of a computer based accounting system.

In such a role the skill and ability to ensure an active and interested co-operation from all levels of management is essential; as is the technical ability and business awareness to initiate these developments.

The position is based in South London and offers a competitive benefits package, including a Company car and profit share after qualifying service.

Interested applicants should submit full career details, quoting ref. £27, to Nigel Hopkins F.C.A., at 31 Southampton Row, London WC1B 5HY. Telephone 01-405 0442.



**Michael Page Partnership**  
Recruitment Consultants  
London Birmingham Manchester

## FINANCIAL CONTROLLER

LONDON

TO £18,000 + CAR

The Peabody Trust, a leading charitable housing association which has some 12,000 properties, seeks a financial executive of proven ability to play a key role in its management team.

Reporting to the Director, the Financial Controller will manage eleven staff, including a qualified Chartered Accountant. Responsibilities will include advice to the governors on financial policy and will cover all aspects of accountancy and finance with an emphasis on the development of budgetary control, forecasting and management information.

Applicants should be qualified accountants with experience of computerised systems. A background in a housing association or local authority would be an advantage.

Please send a comprehensive career résumé, including salary history and day-time telephone number, quoting ref: 2053, to G. J. Perkins.

**Touche Ross & Co, Management Consultants**  
Hill House, 1 Little New Street, London EC4A 3TR. Tel: 01-353 8011.  
A member of the Management Consultants Association.



## FINANCIAL CONTROLLER

West End c.£12,500 + car

Aqualac (Spring Waters) Limited is the small dynamic and rapidly growing subsidiary of Sonce Perrier, marketing their well-known range of drinks throughout the UK.

They now seek a financial controller who will be responsible to the managing director for running the accounting function and for providing positive financial guidance to management, with a strong emphasis on management information, budgetary control and the treasury function. Responsibilities will also include the secretarial, legal and administrative areas, plus systems development.

Candidates, ideally in their 30's, should be qualified, appropriately experienced and keen to make a positive contribution to this marketing based business. The salary is negotiable around £12,500 p.a., plus car, pension arrangement and PPP.

Applicants should write in confidence with full details of previous experience and current salary, quoting reference S1782 to J.W. Ellis at:

Annan Impey Morris,  
Management Consultants  
40/43 Chancery Lane,  
London WC2A 1JJ.

(A.I.M.)

## Management Auditor

London & Overseas c.£11,500 + expenses

**International Planned Parenthood Federation** is a federation of voluntary planning associations carrying out family planning programmes in about one hundred different countries, working in close collaboration with a number of other international agencies.

In order to function at optimum effectiveness, the IPPF now wishes to appoint two Management Auditors, on a roving commission, to conduct financial audits; provide management information and advice for improving existing programmes; minimise potential waste - in terms of systems, supplies and manpower - and to assess future needs.

You will have a background to accounting/O & M/ management techniques, probably be 30-50 with fluency in either Spanish or French and a pronounced social conscience. It is envisaged that you will spend around 20% of your time abroad.

In the first instance, please contact John Steeds, Overseas Recruitment Services Ltd, 37 Golden Square, London W1R 4AL or telephone 01-436 9481 (24-hour Answerphone)

**ORS Limited**



# Accountancy Appointments

**ACCOUNTANT**  
with good commercial experience required by international group for this permanent position based in Lagos, Nigeria. Applicants, preferably single and aged 30-40, will be responsible for all accounting and administration functions for a company with turnover of £10m+. Appropriate terms and payment package are offered for this important position.  
Apply to: Box No. 5419  
c/o East Advertising  
4 Bouverie Street, London EC4

## ACCOUNTANCY APPOINTMENTS

APPEAR EVERY THURSDAY

RATE £29.00 per single column centimetre

## ECONOMIST

London to £15,000

- This is an attractive new appointment to the highly motivated economics team of a substantial international business.
- Male or female economics graduates, well trained in qualitative, statistical methods and with banking, Government or corporate experience, will find this an opportunity not only to make an important contribution but to gain career progression experience in a dynamic growth situation.
- Analysis of international data, writing country reports, making presentations on economic trends and special projects require the ability to communicate convincingly with senior financial people. A strong personality developed from an international background will be needed and a flair for languages, especially Spanish, will be useful.
- To the starting salary, negotiable as indicated, will be added a subsidised mortgage and other benefits usual in a financial organisation.

Please send adequate particulars in confidence or telephone for an application form, quoting ref. EC, to S W J Adamson FCA, Director, Grosvenor Stewart Limited, Hamilton House, 75 Titehouse Street, Hitchin, Hertfordshire, Telephone 0462 55303.



**GROSVENOR STEWART**  
Executive Search and Selection  
London Brussels Frankfurt

## Accounting computer project manager

London, c£22,000



We quote our client: ideal candidate would be a consultancy manager with one of the major accounting firms. Applicants must have:

- an accounting qualification
- formal computer project management training either through major consultancy training programmes or university computer science degree
- current state of the art computer project management experience on project of 35 man years or more
- take charge leadership ability and senior management potential: applicants must have the wisdom of Solomon, the patience of Job, the iron determination of Mrs Thatcher and the diplomatic skills of Machiavelli

Our client is a Fortune 500 multinational. Career prospects are excellent provided you are open to international transfer. Project is 1.5 years into 4 year first stage and needs you badly. This is not a project for the faint hearted.

Resumes including a daytime telephone number to Stephen Blaney, Executive Selection Division, Ref. B047.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited  
management consultants

Shelley House, Noble Street  
London EC2V 7DQ

## Young Accountant

C. £12,500

A major London based UK public group with extensive international interests wishes to appoint a qualified accountant to a senior position in its corporate accounting unit.

The successful candidate will join a small, dynamic team and will personally contribute to the production of financial reports for the group and the holding company. The group operates extensive computerised systems which are presently undergoing a major review to meet rapidly changing requirements and the successful candidate will be required to take a full part in this review. Involvement in special projects and reporting on the impact of Companies Acts, Accounting Standards and EEC directives in relation to advanced consolidation practices will also be required. Candidates, Chartered Accountants probably aged between 27 and 30, will have gained their experience with one of the larger accountancy firms. A specific interest in financial accounting and experience of computerised environment will be an advantage but the qualities of clear thinking and imagination are regarded as more essential than extensive technical experience.

Conditions of employment and career development potential are excellent.  
Please apply in confidence to I. M. G. O'Hare, 124 New Bond St., London W1, Tel: 01-629 4226.

**MANN**  
MANAGEMENT

## Chief Group Management Accountant

Irish Public Company

Dublin

Our client is a well known publicly quoted company with extensive interests in Ireland and overseas. The role is varied and extremely interesting involving, inter alia, the critical review of information systems in subsidiaries and acquisitions, follow-up and post audit of capital expenditure proposals, regular and ad hoc reports for the Board, and close liaison with Computer and Development departments.

Candidates, probably in their 30's must be qualified accountants with wide ranging experience of efficient computer based systems in large and complex organisations, some of which may have been gained in a consultancy capacity; willingness to travel and well-developed inter-personal skills are also required.

Salary is for discussion; those earning less than £16,000 at present are unlikely to meet the requirements. Company car and usual benefits.

Please send relevant details - in confidence - to D. M. Hand ref. B.82531.

This appointment is open to men and women.

**MSL**

United Kingdom Australia Benelux  
Canada France Germany Ireland  
Italy Scandinavia South Africa  
Switzerland U.S.A.

Management Selection Limited  
International Management Consultants  
49 Upper Mount Street Dublin 2

## FINANCIAL CONTROLLER

LONDON c£18,000 + car

Our client is a profitable U.K. quoted commercial group. Their turnover exceeds £35m and their continuing growth is based on individual profit centres located in the Northern Home Counties and London.

They seek a Qualified Accountant (aged 30 to 40) whose primary responsibilities will be for the groups finances and accounting, but who will also make a significant contribution to the wider aspects of the business. Consequently, applicants should demonstrate strong commercial awareness alongside the technical ability to upgrade and computerise management information.

The company offer an excellent salary and benefits package including assistance towards relocation expenses where applicable. It is intended that this position should lead to a Board appointment within two years, giving the opportunity to participate in the company's profits.

Interested applicants should submit full career details quoting ref. 826 to Philip Cartwright A.C.M.A. at 31, Southampton Row, London WC1B 5HY  
Telephone: 01-405-0442



**Michael Page Partnership**  
Recruitment Consultants  
London Birmingham Manchester

## Corporate Finance

£12500-£18000 + Benefits

Many of the city's leading Accepting Houses and Corporate Bankers recruit their executives through us. We are therefore in a strong position to advise candidates of their marketability and help those wanting to embark on a banking career. Typically we would like to hear from:-

- 1) Young graduate chartered accountants with substantial post-qualifying investigations, corporate tax or insolvency experience.
- 2) Young solicitors with corporate advisory experience.

We can be of positive help to you in your assessment of your own career and introduce you to those banks whose requirements will be in step with your ambitions.

Interested candidates should contact Robert Digby B.A. with details of their careers to date.

**David Clark Associates**  
4 New Bridge Street, London EC4  
Telephone: 01-353 1867  
A Badenoch & Clark Group Company



**ACCOUNTANCY RECRUITMENT.**  
Temporary/Permanent Staff Placements.

## INTERNATIONAL AUDITORS

(£ neg.)

Accountancy Recruitment is always interested to hear from Qualified Accountants who wish to enter the field of International Auditing with British Public Group of Companies or American Multinationals. Locations are within London or Home Counties and, in some instances, positions can be based in major European Cities.

Experience in modern systems technique auditing and operation audit function, gained in a major professional practice, or in an Internal Audit department of large commercial or industrial organisation would be an advantage. Career prospects are unlimited for future financial and management roles. Ref: AT/190.

For further details write or phone to:

**Accountancy Recruitment**  
Kent House, 87 Regent St., London, W1R 7HF  
Tel: 01-437 1844

## Supplies and Budgetary Accounting Opportunities

Saudi Arabia c.£16,000 p.a. tax-free

In Jeddah, on Saudi Arabia's west coast, a 500-bed hospital is being commissioned. Built and equipped to the highest international standards it is now under the management of IHG International Hospitals Group, the British-based health care organisation, which has been given the task of helping to staff this ambitious medical project to its full complement of over 3,000 medical, nursing, technical, clerical staff - and the administrative specialists who will ensure that the hospital's reputation is founded not only on medical excellence but also on outstanding management expertise utilising sophisticated computer based systems. We are now looking for:

### Supplies Accountant

To take overall responsibility for the operation and control of the new hospital's stock accounting systems. This will cover all purchases (often made internationally), stock pricing and verifications and provisions. SR 100,000 p.a. Ref. M291/01.

### Budget Accountant

To develop and operate costing and budgetary systems which will allow each department to function efficiently. SR 100,000 p.a. Ref. M291/02.

These demanding positions call for qualified accountants (ACA, ACMA or ACCA) with 10 years appropriate professional experience, preferably in an international organisation.

Tax-free salaries will be paid in Saudi Riyals. \* Benefits include free accommodation furnished to the highest standards, 49 days annual holiday, free return flights to the U.K. and free medical care. Facilities within the hospital complex, for the exclusive use of staff and their families, include shops, gymnasium, theatre, swimming pool, tennis courts and restaurants.

Preference will be given to suitably qualified Saudi Arabian nationals and Arabic speaking personnel.

\* The conversion to sterling has been effected at the rate SR 6.30 = £1.

For further details, please send your c.v. to: John Innes, IAL, Aeradio House, Hayes Road, Southall, Middlesex, UB2 5NJ. Tel: 01-574 4960. Please quote appropriate reference.



**MEDICAL SERVICES**  
COMMUNICATIONS SYSTEMS  
COMPUTER SYSTEMS AND SERVICES  
AVIATION SYSTEMS AND SERVICES-WORLDWIDE



## Financial/Accounting Opportunities in Nigeria

A diverse international group, located in the U.K., but with substantial Nigerian interests is seeking to strengthen the financial/accounting structure within the Nigerian Companies.

Position one is with an Investment Company, reporting to an expatriate M.D. Candidates with professional accounting qualifications, preferably FCA/ACA, should be able to combine financial/accounting experience with either general management or company secretarial strengths.

Essential requirements are the ability to install and monitor accounting systems, motivate Nigerian staff and the skill to negotiate at Ministerial level.

Position two is with the central finance team in the Head Office of a group of companies, reporting to an expatriate Finance Controller. Candidates with professional qualifications,

preferably ICMA, will be required to advise and assist on wide ranging financial and accounting matters, and help in optimising the efficiency of the function. Participation in installing accounting systems and drafting/involvement in training programmes for Nigerian staff is essential.

Both positions involve some travel in Nigeria and are based in Lagos. Salaries are highly attractive and include all the usual expatriate benefits of furnished accommodation, care etc.

Write with full personal and career details to the address below, quoting ref. M9387/FT on the envelope. Your application will be forwarded directly to the client unopened, unless marked for the attention of our Security Manager with a note of companies to which it should not be sent.

### PA Advertising

Norwich Union House, 73/79 King Street, Manchester M2 2JL  
Tel: 061-236 4531



A member of PA International

## Qualified Accountant

Petroleum Industry

Geneva

A large international company seeks a qualified Accountant for its Geneva office world wide oil trading activities.

Applicants must be conversant with oil trading and marketing and with the routines and administration associated with this business. Experience in refinery accounting, oil stock control and reconciliation would be an advantage.

Above average salary negotiable.

Preferred age 35+.

Applications are invited from both men and women who should write in confidence to Stewart Mitchell or telephone (24 hour answering service) for a personal history form quoting reference M/349/7.

**The P-E Consulting Group** Appointments Division  
1 Albermarle Street, London W1X 3HF Tel: 01-499 1948



## ACCOUNTANTS LLOYD'S BROKERS

**FINANCIAL CONTROLLER.** Age Open. c.£12,000 + Benefits. Qualified with Insurance experience. All aspects incl. computerisation

**DEPUTY CHIEF ACCT.** Age 20s. £10,000 Neg.

Qualified Insurance exp. pref. Bookkeeping up to final accounts

**MOORE & WEEKS LTD., 52 MARK LANE, EC3 481 1506 (Rec. Con.)**



## JOBS COLUMN

# For 'Pickup', read 'letdown' • New Liffe • Pay

BY MICHAEL DIXON

"REALLY—a major statement of new policy?" the Jobs Column replied to the telephone call from the Education Department the other day. "I'll be there to hear it."

What made the occasion particularly important was that the subject of the policy was the improvement of training programmes in universities, polytechnics and colleges to bring the skills of workers from management to the shopfloor into line with the needs of the 1980s.

So I duly turned up at the London conference of the British Association for Commercial and Industrial Education where the new plan for training was to be revealed. And minutes later William Shelton, Parliamentary Under Secretary at the Education Department, stood up on the platform to do the revealing.

His first bombshell was that the bureaucracy has already devised a smart new acronym for use when referring to the training of people in employment. It is **Pickup**, standing for professional, industrial and commercial updating. Neat, isn't it?

What is more, up to £2m a year is to be diverted from other kinds of educational activity specifically to promote improved training. The sum represents no less than 0.016 per cent of the £12bn-plus education budget, and compares with about £11m spent annually on courses for

older people on topics less, and usually not at all, related to productive work.

Of the £2m, half will be covered by the transfer of spending by the Open University from academic programmes to others with a practical bearing. The rest will be spent piecemeal. Some will go on experiments with new teaching methods and curricula. There's to be yet another series of regional workshops, this time in the hope that the minority of educators active in training people in jobs will be able to persuade the majority to do likewise. Some regional development agents will be appointed to see whether they can improve links between educational institutions and employers.

That may not seem much by way of promised action to emerge from a Ministerial speech lasting some 40 minutes. But it is pretty well all there was. The rest was taken up by other things.

There was a pious reaffirmation of the Education Department's commitment to training activity (which may or may not deter the Manpower Services Commission from further encroachment on educational territory). There were also cobbled-together statements of long-festering problems, and facile appeals for full co-operation by all the rag-tag-and-bobtail of bodies among which responsibility for the nation's work skills is diffused.

Mr Shelton cannot be blamed. He was just standing in at the conference for the Education Secretary, Sir Keith Joseph. He had then diverted to a Cabinet Meeting where we can only hope he had something more useful to contribute.

Besides, the content of the speech had probably been largely dictated by the Education Department's officials who seem to divide their time between sheltering behind their lack of legal powers to arrest the decline of the education service, and steadfastly refusing to acquire any.

One begins to wonder whether a bureaucracy like that is really necessary.

### Pit worker

LIFFE will not be a howl of cherries but a hive of activity for the recruit wanted by the Credit Suisse First Boston Investment Bank in the City of London. For Liffe, alias the London International Financial Futures Exchange due to open in the autumn, is where the newcomer will work as the bank's floor trader.

The new market in the old Royal Exchange will be Britain's first venue for trading in future sales or purchases of financial instruments such as gilt-edged stock. But markets for this means of hedging against or speculating on changes in rates of interest or currency exchange, and at low

initial cost, already thrive in the U.S. and elsewhere.

A prime need is ability to listen to what several other people are saying — or rather shouting — while talking oneself, because the trading will be done by what is called open outcry in the new exchange's various "pits."

At first the newcomer will wallow in only two of them — those concerned with Euro-dollar three-month time deposits and with sterling long-gilt contracts based on a 20-year Government stock.

Steven Licht, the bank's managing director, says head office will provide a continual commentary on what is happening in the "real markets." And the floor trader will work closely with the bank's gilt dealer David Blum.

Any good, the huck will usually stop there. The job needs somebody who knows the numbers business, who's willing to stand up and make a price, but has the sense and maturity to get out fast if it's wrong. "Obviously there'd be an advantage for somebody who has worked the financial futures markets overseas. But we could train up a good dealer from the commodity markets or a stock jobber. After all, while the new market will have about 350 seats there won't be many experienced people in them at the start, and I daresay the

turnover will be slow to get going.

For a top trader already experienced in financial futures, the value of salary, bonus on the bank's results and perks could be £50,000. The equivalent for someone requiring conversion would be £30,000-plus.

Inquiries to Credit Suisse First Boston's personnel manager, Tom Kerrigan, at 22 Bishopsgate, London EC2N 4BQ; telephone 01-283 4200, telex 882131.

### Bank salaries

BEFORE we leave the City, workers in merchant banks may like to know that they still in the main receive higher salaries than do their counterparts in the branches of international banks. The news comes from Lloyd's survey of Research's latest survey covering 110 banks, 36 merchant and 74 international, and which in the full version costs £100. (Inquiries to Carole Fulton, 11 John Princes Street, London W1M 9RB; Tel: 01-499 3141, telex 288550 John PG.)

The merchant fraternity's median salaries are the higher in 24 of the 38 posts common to both kinds of bank and whose various rewards are detailed in the survey. Among the 13 jobs with median salaries over £13,000, the positions are: Merchant higher — London

branch/general manager £27,720 (international £26,400), money manager £24,700 (£24,600), foreign-exchange chief dealer £21,120 (£20,700), operations manager £18,400 (£15,974), credit manager £17,956 (£15,000), data-processing manager £15,849 (£15,570), accountant £13,860 (£13,370), and loans officer £13,530 (£13,302).

International higher-investments manager £19,300 (merchant £12,540), personnel manager £17,600 (£16,500), corporate finance executive £15,800 (£11,800), sterling dealer £14,002 (£13,270), and auditor £13,720 (£13,479).

### High tech.

A QUALIFIED accountant who has managed the finances of a £50m-plus manufacturing business, the more advanced the better, is wanted by Christopher West of Courtney Stewart International for a high-technology group whose 25 companies here and abroad have sales approaching £200m.

The new finance director will be based in Kent, report to the managing director, and be supported by a management and a financial accountant. Salary around £25,000; perks include car.

Inquiries to Mr West—who promises confidential treatment on request—at 11 Maddox Street, London W1R 9LE; tel: 01-491 4014, telex CSI 268312.

GROW WITH

# ACROW

## GROUP DIRECTOR OF PLANNING

A conceptual thinker with practical experience in line management is required to head up a group planning function with Acrow.

Setting and achieving challenging business objectives is a key element of Acrow strategy, requiring formal systematic procedures, covering both tactical and strategic management.

The applicant must have the capabilities and expectation to become a chief executive in the group and will handle projects of a general management nature on behalf of the Group Managing Director; personnel skills would be an advantage.

The salary incentive compensation and other benefits package will be sufficient to attract candidates of the highest calibre.

Please write in confidence to:

The Group Managing Director  
Acrow plc South Wharf London W21PB

## INVESTMENT ANALYST GLASGOW

Penney Easton & Co. has a vacancy for an Investment Analyst in its Glasgow-based Research Department. Applicants should hold a relevant degree or professional qualification, have a minimum of two years' research or fund management experience, and possess the skills necessary to communicate effectively with industry and major investment institutions. The remuneration offered will reflect the qualifications and experience of the successful applicant, and applications should be made in writing to:

The Head of Research, Penney Easton & Co.  
24 George Square, Glasgow G2 1EB

## Deputy group treasurer

City, c£16,000 + car



A major public company with UK and overseas manufacturing interests wishes to strengthen its head office finance team.

You will progressively assume responsibility for the group's extensive banking relationships, forecasting and monitoring group companies' cash and currency requirements, and borrowing and investing funds on UK and overseas money markets. Working with the Group Treasurer you will provide financial information for the Board and gain experience in foreign exchange exposure management, loan negotiation and corporate financing.

Aged around 30, you should have an accounting, banking or business qualification and a background in corporate finance, international banking or the treasury department of a multinational company.

Resumes including a daytime telephone number to Stephen Blaney, Executive Selection Division, Ref. BO44.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited  
management consultants

Shelley House Noble Street  
London EC2V 7DQ

## Young Investment Manager

### Fixed Interest Portfolio

Aged around 30 five figure salary plus benefits

This is an opportunity to take complete responsibility for the fixed interest portfolios of a Scottish financial institution. The person appointed will be looked to for authoritative advice and should be able to assume immediate responsibility for the funds. Candidates, male or female, aged around 30, should be graduates with a numerate discipline, actuaries or accountants. They must have at least three years relevant experience in the management of a fixed interest portfolio and possess the analytical skills and perception required to keep them in close contact with market trends. Their experience is likely to have been gained in a life office or

with a major broker. An earnings package will be offered to attract the high calibre of individual required and generous help will be given with relocation to this attractive part of Scotland. Write or telephone for an application form or send brief c.v. to the address below, quoting ref. AA65/7981/FT on both letter and envelope, and advising us of any other applications you have made to PA Personnel Services within the last twelve months. No details are divulged to clients without prior permission. Initial interviews will be conducted by PA Consultants.

### PA Personnel Services

Hobart House, 80 Hanover Street, Edinburgh EH2 1EL Tel: 031-225 4481.



A member of PA International

LEICESTER POLYTECHNIC  
School of Mathematics  
Computing and Statistics

### LECTURER II IN OPERATIONAL RESEARCH

(Post 19)

The Lecturer will join a group of OR specialists teaching on degree and postgraduate courses in a variety of disciplines. Applicants should have an appropriate degree with experience in industrial/commercial OR. Encouragement will be given to continue with consultancy research. Experience in teaching statistics would be welcome.

### LECTURER II IN INTERACTIVE COMPUTING

(Post 75)

Candidates should be appropriately qualified to teach computer science topics on a wide range of courses up to postgraduate level, and possibly Masters degree level. Applicants having interest in programming, software engineering or operating systems would be particularly welcomed, as would those with recent industrial experience. SALARY: £5,462-£10,431 per annum (under review). Application forms and further particulars are available from the Personnel Officer, Leicester Polytechnic, P.O. Box 183, Leicester LE1 9BH. Tel: (0533) 551551 extn. 2303.

## Finance and DP Consultancy Manager

Singapore

to equiv. £26,500

Price Waterhouse, Singapore, an important and growing practice forming part of Price Waterhouse International wish to recruit a competent person for this key position to assist in the continued development of the finance and EDP consultancy services.

Reporting to the partners, the successful applicant's main responsibilities will include assistance in the continual growth of the firm in Singapore and trainingsupport staff as well as building a team of high calibre consultancy professionals.

Candidates must be qualified with at least ten years middle management experience, of which four should have been in a consultancy capability in the accounting and finance discipline. In addition strong EDP experience is required as well as the need for excellent communicative skills, training ability plus the energy and enthusiasm with which to develop a sound client base.

In addition to salary and bonus, benefits will include free accommodation, settling in allowance, car purchase scheme, annual vacation with paid leave passages for the successful applicant and family, free medical attention, personal accident and life assurance and a non-contributory expatriate staff provident fund repatriable tax free with interest earned. This is a career appointment offering distinct scope for advancement.

Candidates should write in confidence for a personal history form, quoting reference MCS/7064 to Michael R. Andrews, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY.

Price Waterhouse Associates

## EUROCURRENCY LOANS MANAGEMENT

ORION ROYAL BANK, a major international merchant bank, is the flagship of The Royal Bank of Canada's World Trade and Merchant Banking Divisions, which offers a comprehensive range of financial services worldwide.

Due to the expansion of our business activity within the Euromarkets, we require an additional person to take responsibility for part of the loan portfolio within the Loans Management Team.

Candidates, who should be trained financial analysts with a graduate degree, will have gained relevant experience in the Lending Department of an international or merchant bank, possibly as an Account Officer.

This managerial appointment offers an excellent opportunity to develop a career in a stimulating environment enhanced by a first-class remuneration package, including 4% mortgage subsidy assistance and a non-contributory pension.

Applications, which will be treated in confidence, should be addressed to: Keith Wood - Personnel - Orion Royal Bank Limited, 1 London Wall, London EC2Y 5JX

ORION ROYAL BANK LIMITED  
A member of The Royal Bank of Canada Group

## HONG KONG SHARES SALES

Sun Hung Kai Securities (UK) Ltd. are looking for a Hong Kong shares sales executive.

Candidate should have at least two years international experience and previous exposure to the Far East Markets is preferred.

A competitive compensation package will be paid according to experience and ability.

Please reply in the first instance to:-

Executive Director  
SUN HUNG KAI SECURITIES (UK) LTD.  
13 Sherborne Lane  
London EC4N 7SL

## International Broadcast Media Executive

(2 vacancies—London based)

Airtime International, a subsidiary of Scottish Television, seeks applications for two high-calibre individuals wishing to become involved in all aspects of the overseas television and radio airtime sales contracts handled by the Company.

Suitable candidates aged between 25-35 years will be self-confident, well-groomed and have a degree in either law, economics, international politics or an equivalent discipline and preferably fluent in a second language.

Write for an application form to:-

Jonathan F. Shier,  
Managing Director,  
Airtime International,  
30, Old Burlington Street,  
London W1X 1LB.

## APPOINTMENTS WANTED

P.R.O. WOMAN — 32 YEARS  
Well-connected experienced P.R.O. with international background, also qualified as bilingual English-French simultaneous interpreter, seeks appropriate appointment.

Write SETP REF. 4610  
65 Avenue des Champs Elysees  
75008 Paris, France  
or phone Paris (1) 288.53.40

## APPOINTMENTS ADVERTISING APPEAR EVERY THURSDAY

RATE £29.00  
per single column  
centimetre

## Phillips & Drew Property Analyst

Phillips & Drew wish to appoint an additional property analyst within their financial unit. The unit is concerned with the research and marketing of financial shares to our Institutional Clients. The successful applicant will be a graduate and/or professionally qualified person with either some experience of investment research or experience within the industry. The preferred age range is 25-30.

Applications to:

Caroline Barrett, Phillips & Drew,  
Lee House, London Wall, London EC2Y 5AP

مكتبة



**TSB North West****Commercial Lending Officer****c.£12,500+attractive benefits**  
**Ormskirk, Lancs.**

TSB North West is seeking to recruit a CLEARING BANKER who has sound experience of commercial lending and small business finance. The challenge will be to develop the commercial aspect of branch banking and to work closely with senior management within the Regional administration.

Applicants, aged over 30 and fully qualified, should be conversant with the needs of small businesses as well as limited liability companies and have a proven aptitude for assessing lending propositions. A flair for communication and organisation is also essential.

In addition to the commencing salary, which increases on an incremental scale, significant benefits include house mortgage subsidy, first class pension scheme, 30 days holiday and free medical insurance. Relocation assistance in suitable cases.

Please write with full C.V. to: Mr. G. Skilling, TSB North West, TSB House, 24 Mount Street, Manchester M60 2ES.

**EXECUTIVE**

Required dynamic and competent executive for employment in expanding and exporting group of companies located in London and Switzerland for promotion export trade. The candidate shall travel to Middle East, South America and Africa. English language and experience of international trade essential. Other languages or other experiences are an advantage. Good salary and some bonus negotiable.

Please write full details of background to advertiser P.O. Box 112 W2, London, W2, England. All information will be treated confidentially.

**Investment Management**

An established and successful company, in recent years we have expanded our conventional life assurance business to embrace a range of investment-linked and pensions contracts.

In order to maintain our record of first-class investment performance and achieve future plans, we now wish to recruit a further high-calibre fund manager. The man or woman appointed will initially run the overseas portfolio; success will lead to a broader and more senior management appointment within the Group.

Candidates must have a broad investment background, with considerable experience in UK and overseas equity and fixed interest funds; a special interest in Japanese and US securities will be helpful. A degree and/or professional qualification is essential and it is unlikely that anyone under 35 will have the ability and personal standing required.

The substantial remuneration package includes a company car, concessionary mortgage facility, pension scheme and private health insurance. Based at our Group Chief Office near Exeter, generous relocation expenses will be available.

Please send a comprehensive C.V. in strictest confidence to H T Gifford, Deputy General Manager, Personnel Services, London and Manchester Assurance Company Limited, Winslade Park, Exeter EX5 1DS, or for an initial confidential discussion, telephone Ian Henderson, General Manager (Investments), on Exeter (0392) 52155 on Friday 21 May 1982.

**Personal Financial Planning Manager****London Up to £20,000pa+Car & Benefits**

A leading company in this field seeks a dynamic manager to run and develop the Division of its established business on professional lines. Currently operating from four U.K. locations, the business offers considerable scope for expansion.

Proven successful all-round business experience, integrity and detailed knowledge of Personal Financial Planning is essential, together with ability to negotiate at the highest level and to recruit, retain and motivate staff. Sales ability is necessary but the company, which is part of a major merchant banking group, is not one for which highly geared selling techniques are appropriate.

The successful applicant (male or female) is unlikely to be currently earning a salary of less than £15,000 p.a. The Manager will report to the Managing Director and the position will carry a first-class remuneration package, with a commencing salary, subject to negotiation, of up to £20,000 p.a.

Please write giving full personal and career details quoting reference 1779 on your envelope (and stating separately the name of any company to which you do not wish your name to be sent) in strictest confidence to the address below.

**Charles Barker**RECRUITMENT ADVERTISING SERVICES  
30 Farringdon Street, London EC4A 4EA. 01-236 3011**Top Executives****Our clients find better opportunities. Are you interested?**

If your talents are being wasted, or your ambitions thwarted, we can help. Our highly skilled career management consultants have all been engaged in a Top Management role. They understand your problems. After evaluating your true potential through discussion and analysis, they work with you through all stages of the job search until you find that better opportunity that is just right for you. Most of these better opportunities are never advertised.

We have an acknowledged standing in the employment market and an outstanding track record of success. That's why we're confident that after a preliminary discussion you will appreciate why we are able to offer the special sort of help that you need. So why not ring us today.

MINSTER EXECUTIVE LTD. 28 Bolton Street, London W1Y 6HR. Tel: 01-493 1369/1885

**INVESTMENT BANKING  
CORPORATE FINANCE**

Orion Royal Bank is the independent international investment banking arm of The Royal Bank of Canada Group in the City of London and has a limited number of vacancies for:

**Senior Managerial (28-31 years old)**

Candidates who have gained 3-4 years' experience in United Kingdom Corporate Finance who wish to become more involved in international business.

**Junior Managerial (24-27 years old)**

People with post-graduate training and recent qualifications in accounting, law or business administration, or who have completed a formal training in credit analysis on the American system and wish to capitalise on their training by becoming international investment bankers.

Selected candidates will receive training appropriate to previous experience and will demonstrate the confidence, strength of character and ambition to attain senior management positions in their early thirties.

A first-class remuneration package including non-contributory pension, preferential mortgage, health insurance, etc. is provided.

Applications, which will be treated in confidence, should be addressed to:

The Personnel Director  
Orion Royal Bank Limited,  
1 London Wall, London EC2Y 5JX

ORION ROYAL BANK LIMITED  
A member of The Royal Bank of Canada Group

**DO YOU UNDERSTAND  
MONEY?**

HAMBRO LIFE ASSURANCE ARE LOOKING FOR SALES PEOPLE THAT DO NOT SPECIALISE AND CONSIDERABLE KNOWLEDGE OF THE MARKET. CAPITAL AND DETERMINATION WILL DO THE REST. In 1981, more than 350 of our Sales Associates earned in excess of £12,000. There have been no previous examinations. Successful applicants are likely to be between 25-35 years old, with 2-5 years' experience in London and highly independent by nature. PLEASE TELEPHONE 01-405 5261

**FOREX**

**APPOINTMENTS**  
For Forex Treasury LIFE appointments discuss your needs, at no cost, with a specialist  
TERENCE STEPHENSON  
13/16 Little Britain  
London EC4A 7DB  
Tel: 01-405 6834  
20 years' market experience

**EMPLOYMENT CONDITIONS  
ABROAD LIMITED**

An International Association of Employers providing confidential information to its member organisations, all individuals, relating to employment of expatriates and nationals worldwide  
01-437 7604

**LOAN OFFICER****£16 - £20,000 + car**  
**Medium-sized Regional U.S. Bank**

Our Client is the London branch of a successful and expanding U.S. bank with a developing presence in the U.K. and Europe.

The current requirement is for a versatile lending banker to assist in the development of the bank's diversified loan portfolio, which includes direct and syndicated lending and some involvement in the capital markets.

Candidates, preferably in their late 20's or early 30's with a degree and/or a professional qualification, should possess a formal credit training and a subsequent record of successful business generation. Drive and imagination are regarded as essential ingredients for success, as is the willingness to travel throughout the U.K. and Western Europe.

This represents a challenging and attractive opportunity for personal development with an organisation which recognises flair and performance.

Contact Norman Philpot in confidence  
on 01-248 3812

**NPA Recruitment Services Ltd**

60 Cheapside London EC2 Telephone 01-248 3812 3 4 5

**Strategic Planning  
International Banking**

Bank of America, one of the world's largest international banks, is seeking a Planning Officer for the London headquarters of its Europe, Middle East and Africa Division.

Reporting to the Head of Strategic Planning, the successful candidate will be involved in the development and review of the Division's long range strategic and operating plans, and will assist in the preparation and implementation of market-oriented projects.

Applicants must have a degree, MBA or accountancy qualification, plus 2-3 years' business experience in corporate planning or financial analysis, preferably gained in a multi-national organisation. Numeracy and the ability to work under pressure are essential requirements.

Career prospects are excellent, and a competitive salary will be augmented by benefits which include low-interest mortgage, non-contributory pension and free BUPA.

Write with full personal, career and salary details to: A. J. Tucker, Recruitment Officer, Bank of America NT & SA, 25 Cannon Street, London, EC4P 4HN.

**LLOYD'S  
INSURANCE  
BROKERS**

An opportunity may shortly present itself for one or two executives or potential executives possessing experience and a portfolio of their own in the direct and insurance fields, to join the board of an established medium size firm of Lloyd's Brokers. Share of the equity might be available. Applications will be treated in the strictest confidence. Write Box A7864, Financial Times, 10, Cannon Street, EC4P 4BY.

**GOLD BULLION DEALER**

Our client, a leading Merchant Bank, wishes to recruit a senior gold bullion dealer. The successful candidate will probably be between 27/32 years of age and have had substantial dealing experience over several years in the bullion market.

The position is a challenging one with the opportunity to play a vital part in the expansion of a long established business.

The salary and fringe benefits will fully reflect the importance of this appointment.

Please write in confidence enclosing a detailed curriculum vitae to Peter S. Latham.

**Jonathan Wren & Co.**

Banking Recruitment Consultants,

170 Bishopsgate, London EC2M 4LX

Telephone: 01-623 1266

**MONEY MARKET/FUNDS INVESTMENT**

This position is an overseas post in the money market in London requires a senior banker or broker established in managing funds for large corporate and personal accounts.

**BRANCH MANAGER**

A City based bank are seeking a manager for their prestigious West End branch. Sound banking and accounting experience plus a flair for customer business is essential.

**CHIEF CASHIER**

This responsible position in the Banking Accounts Department of a leading Metal trader requires a variety of skills with particular stress on controlling cash movements and experienced in either Commodities or Foreign Exchange, dealing in large sums at the money market, plus the ability to oversee staff.

**CREDIT MANAGERS ASSISTANT**

An excellent opportunity in an American bank to join a team of highly professional entrepreneurs. Sound background knowledge of the European credit market, plus experience in loans or credit is essential. A graduate would be well received.

**EUROBOND SETTLEMENTS CLERK**

A senior position in a leading U.S. investment bank. All aspects of settlements is essential.

Talk to Sheila Jones

**OLD BROAD STREET****BUREAU LIMITED****STAFF CONSULTANTS**

01-588-3991

**CAREER OPPORTUNITY**

For an Engineer with a sound commercial background

AN INTERNATIONAL COMPANY MANUFACTURING STRUCTURAL WATERPROOFING MATERIALS REQUIRES:

**EXECUTIVE DIRECTOR**

The successful applicant, to be based in London, will be responsible for financial and administrative matters in the London and regional offices of the UK.

This office will also entail:

- The promotion and technical instruction on products to be carried out jointly with the Technical Director on an international level within the engineering and construction industry.
- Market research for the introduction of an established and proven waterproofing system, to the UK.

Salary will be in accordance with qualifications and experience. Benefits include a company car and pension.

Applicants, preferably with relevant international experience should apply in confidence, enclosing a full curriculum vitae, to:

Box A7862, Financial Times  
10 Cannon Street, London EC4P 4BY

**Company Secretary****London West End Around £15,000**

for the parent company of a group of companies with an aggregate turnover in excess of £65m. engaged in the merchandising, fabrication, processing, fixing, manufacture and distribution of flat glass products throughout the UK. The Company Secretary is part of a small head office team, and apart from the normal secretarial duties and responsibilities, will assist the Managing Director and executives to administer and control the activities of a large number of operating units, and advise their management on legal, secretarial and personnel matters.

Candidates, preferably aged between 30 and 45, must be Chartered Secretaries with about 5 years' similar experience, and now be seeking greater responsibility.

Attractive fringe benefits include car, season ticket loans, relocation expenses and free lunches.

Please write to Ken Orrell, ref. B.19211, MSL Chartered Secretary, Management Selection Limited, 52 Grosvenor Gardens, London SW1W 0AW.

This appointment is open to men and women.

**MSL  
CHARTERED SECRETARY****Senior Consultants  
Financial Sector**

SRI International (formerly the Stanford Research Institute) provides a leading role in the provision of strategic advice and operational assistance to financial institutions worldwide. Such advice is often given in a team environment which involves specialists in EOP Strategy and security.

The Institute wishes to recruit two senior professionals to join the staff of its London office (serving Europe, the Middle East and Africa) to undertake strategic management and operational consulting, respectively, in this area.

**STRATEGIC** will interest candidates with a knowledge of the financial sector at a business oriented level, together with in-depth strategic level experience with a financial institution. Ref: 293/A.

**OPERATIONAL** will interest candidates with at least 7 years' experience in senior line management, and first-hand knowledge of computer techniques. Ref: 293/B.

Applicants for both positions need to have gained the highest level academic and professional qualifications, plus several years' experience with a leading consultancy organisation. Please write, in confidence, quoting the appropriate reference and giving full details of personal and career history to:

W. J. Romanowski, Personnel Manager, SRI International, NLA Tower, 12-16 Addiscombe Road, Croydon CR0 0XT.

**SRI International****CORPORATE FINANCE****Age 25-35 years Salary: Neg. £15-£25,000+ benefits**

Two vacancies exist for executives with broad experience covering: — investments, M & A, cash management, investigations etc.

Candidates must be well motivated and possess proven negotiating/marketing skills, gained either from within banking, or financial sectors.

Please contact Brian Gooch

Jonathan Wren Executive Recruitment

170 Bishopsgate, London EC2M 4LX

Tel: 01-623 1266



# International Appointments

## Career Opportunity in International Finance

**The Challenge:** The International Finance Corporation, the affiliate of The World Bank promoting the private sector in developing countries, is seeking experienced financial professionals to become Investment Officers in its Capital Markets Department.

**The Task:** The Capital Markets Department helps to develop financial markets in member developing countries through policy advice and establishing new specialized financial institutions. The work of the Investment Officer also involves helping private companies from developing countries gain access to international capital markets.

**Requirements:** Candidates must possess a graduate degree in finance or business administration. An excellent command of English is essential and fluency in French or Spanish is desired. Background should include a minimum of five years in banking, either with an investment bank or in the industrial finance or international department of a commercial bank. Substantive international experience, preferably with developing countries, is required in: leasing, small business financing, corporate finance, securities markets, venture capital or international bond and equity issues.

**Benefits:** Competitive benefits package including relocation expenses on appointment and provision to maintain cultural ties with home country. Please send detailed resume in English quoting Ref: CCM-82 to: Miss Katherine Louthood, Recruitment Officer, International Finance Corporation, 1818 H St. N.W., Room 19-269, Washington, D.C. 20433, USA.



**INTERNATIONAL  
FINANCE  
CORPORATION**

## Top Management Team - Saudi Arabia

Around US \$60,000

for a leading and expanding organisation which is strengthening its senior management in order to achieve growth plans. The company has modern facilities for the production and marketing of cement products throughout the region and offers excellent career prospects.

These are key appointments in a pleasant environment and carry a tax free salary, bonus, free housing, transport, medical, insurance, generous paid leave and first class travel. Please write - in confidence - giving full career details or telephone 01-730 0255 to G. E. Yazigi quoting appropriate reference.

### Finance Manager

Prime responsibilities will be for all financial and accounting functions in a department of 20 staff. Candidates who should be qualified accountants and/or business graduates must have significant accounting and finance experience and working knowledge of EDP systems. Arabic speaking highly desirable. Ref. B.1169-1.

### Marketing Manager

Will be responsible for the development and control of the complete marketing function including market information, product development, publicity, sales and distribution. Candidates should be university graduates, ideally in marketing and must have held a senior marketing position preferably in building products. Arabic speaking highly desirable and exposure to Middle East valued. Ref. B.1169-2.

### Purchasing/Materials Manager

Major tasks include the development of a purchasing policy for raw materials, spare parts, capital equipment and contract services locally and internationally, as well as for importation and inventory control administration. Candidates preferably with a university degree should have several years experience in purchasing and material supply functions ideally in cement related products in the Middle East. Fluency in Arabic an advantage. Ref. B.1169-3.

**MSL middle east**

Management Selection Limited  
International Management Consultants  
52 Grosvenor Gardens London SW1W 0AW

## Assistant General Manager-Marketing

Air New Zealand Ltd.

This position, which becomes available because of retirement and is one of four AGM posts reporting to the Chief Executive, represents a fundamentally important and pivotal role in the recovery programme of the company. In planning its early return to profitability Air New Zealand, which has some 8,000 employees and domestic and international sales running at about NZ\$700 million pa, has recently commenced a major organisational restructuring.

This appointment provides an outstanding opportunity to revitalise and develop the marketing activities, and hence the fortunes, of an airline which enjoys world-wide recognition for the excellence of its standards of service and its modern fleet. The appointee will lead a major division with wide ranging functions, including head office specialists and regional sales/marketing managers (based in three local and five overseas locations),

with the accent very much on profitable development of activities. The location is Auckland. The salary offered is fully competitive, being comparable to that of general managers of sizeable companies. A company car and appropriate fringe benefits are supplied. Relocation expenses will be reimbursed. Applications are invited from senior marketing executives with superior performance records in line management in large and complex enterprises utilising sophisticated analytical, planning and control techniques. Prior experience in the air transport or travel industries would be of advantage, other things being equal, but outstanding professional marketing expertise is the more important criterion. Security: The strictest confidentiality is assured. Please forward appropriate details, quoting ref. 793-F1, or direct any enquiries to: E. R. Harrison, Manager, Personnel Services.

**PA Management Consultants Ltd.,**

PO Box 4178, Auckland 1, New Zealand. Telephone Auckland 32718.



A member of PA International



**BAHRAIN  
COMPETITIVE SALARY  
FURNISHED FLAT & BENEFITS  
TAX FREE**

## HEAD OF FINANCIAL OPERATIONS

The housing Bank and institution responsible for providing financing and loans in support of Bahrain's national housing programme, intends to recruit a Head of Financial Operations. This post provides a substantial professional challenge and will enable the successful candidate and his family to enjoy the benefits of a pleasant environment within a strong financial community. This is a permanent appointment, initially for a period of two years and then extendable upon mutual agreement.

Applicants should be holders of a University degree, qualified accountants (ACA or ACMA) and be aged between 30 and 40. Preference will be given to second degree holders who can demonstrate substantial management experience in a similar organisation.

Applications, providing all necessary information and a current photograph should now be sent to:-

The Deputy Chairman,  
The Housing Bank,  
P.O. Box 5370,  
Manama,  
Bahrain.

This is the European headquarter of a highly successful U.S. multinational company firmly established in the health-care market and located in the Greater Paris area. Due to rapid expansion we need a young

## ASSISTANT CONTROLLER

FOR EUROPE (PARIS)

who will be directly involved in developing and implementing financial strategies, tactical plans and control for the European division. He or she will report to the European Vice-President Finance.

**What we offer:**

- An exciting challenge in a fast-growing international company.
- An excellent opportunity to apply existing skills and acquire new ones.
- An informal but fast-paced and demanding working atmosphere.
- Rapid career advancement based on performance.
- Above-average compensation package and fringe benefits.

**What we need:**

- A young man or woman-between 24 and 30 years old.
- Good education-professional accounting qualifications (CPA or CA)-must be familiar with U.S. or U.K. controlling systems.
- Fluent in English-French highly desired.
- A person who is "tough on figures" and prepared "to roll up his sleeves."

If you believe you have above-average qualifications, please contact our consultants who vouch for confidentiality:  
P.O. BOX 525, CH-8027 ZUERICH/SWITZERLAND.  
PHONE SWITZERLAND 01/202 62 39 (MRS. L. MARCATO).

## INTERNATIONAL CONSORTIUM BANK

is seeking on

## ECONOMIST

for its PARIS economic and finance studies department

- Minimum 2/3 years experience in international economy analysis.
- Perfect command of English and very good knowledge of French requested.

The candidate will be capable of working in a team with a small group.

Send handwritten letter + CV under ref. 8658 to:

P. LICHAU S.A., B.P. 220, 75063 PARIS CEDEX 02

who will forward

## Senior Manager-Operations

Lagos, Nigeria

Our client is a leading Nigerian merchant bank. An Operations Manager is required who has had extensive relevant experience in a major international bank, preferably in a developing country.

The position may appeal to an individual approaching retirement, although younger candidates with appropriate experience will be considered.

A three year contract will be offered, and the remuneration will reflect the importance of the position and the experience of the individual. Free housing, car and driver, and the usual expatriate allowances and benefits will be provided.

Please write, giving full personal and career details, and salary progression, to David Dale, quoting reference 1318.

**Odgers**

MANAGEMENT CONSULTANTS  
Odgers and Co Ltd, One Old Bond St,  
London W1X 3TD 01-499 5811

## Financial Analysts

A well known Kuwait-based industrial group seeks highly qualified financial professionals in support of its expansion programme and as a result of recent promotions. These are highly visible positions with immediate hands-on accountability and significant advancement potential within the Corporate Finance organisation.

### Investment/Financial Planning Analysts:

Responsible for the financial analysis of an international investment portfolio with respect to portfolio performance and the development of alternative investment strategies based upon analyses of market trends. Also responsible for analysing the performances of operating groups against plans and recommending specific actions to improve profitability.

These positions can lead to more responsible positions within the Corporate Finance, Treasury or Control functions.

### Business Development Analysts:

Responsible for the evaluation of prospective commercial opportunities: including market and financial analyses, the preparation of feasibility studies and financial projections. This position can lead to a more responsible position within the Corporate Control or Central Financial Planning function.

Candidates will be qualified to degree level in finance, economics or related fields from recognised universities and will possess highly developed analytical and presentation skills. Fluency in both Arabic and English is preferred.

## Market/Product Development Manager:

Within its present and planned manufacturing resources, the Group intends diversification and expansion into any field appropriate to its Middle East market and economy. It seeks a knowledgeable and innovative person, preferably with an engineering degree and background, to lead its search into new and/or associated fields and to develop existing services.

Candidates will be experienced in the development and marketing of industrial products and services, able to demonstrate creativity, willing to travel and to establish contact with various cultures and backgrounds. Fluency in both Arabic and English is preferred.

These positions offer unique opportunities to become part of a very sophisticated Corporate Finance organisation with significant career advancement opportunities as well as above average compensation opportunities.

Interested and qualified applicants may submit their resumes in strict confidence to:

Box A7860, Financial Times, 10 Cannon Street, London EC4P 4BY.

## Management Auditor

West German Base

Attractive Neg. Package

Due to promotions, our client, a US multi-national group, seeks to recruit a qualified accountant or experienced auditor into their existing management team.

Reporting to the Audit Manager, responsibility will be for operational audits of marketing, personnel, production control, and treasury functions, systems audits, limited review audits and acquisitions.

Based in Frankfurt, you will spend approximately 50% of your time in Germany with the remainder in Italy, Scandinavia, Switzerland and Benelux Countries.

Opportunities for advancement are excellent as the organisation pursues a career progression plan.

Applications are invited from qualified accountants or experienced auditors possessing a working knowledge of German and/or Italian. Self motivation, social awareness and the ability to succeed are the essential qualities required in this demanding role.

To apply, please telephone or write in confidence to M. J. R. Chapman quoting ref: 6095.



**Lloyd Chapman  
Associates**

123, New Bond Street, London W1Y 0HR 01-499 7781

## SYSTEMS ANALYST

U.S. Citizen with  
a U.S. Security  
Clearance

TO SUPPORT U.S. FORCES  
IN EUROPE

B.S. degree in computer science  
or equivalent with two years  
experience in H6000 GCOS III

Onp. Analysis, system start-up  
and applications support.

Send resume to:  
HONEYWELL INFORMATION  
SYSTEMS INC.

Attn: FSD Avenue Henri Matisse 14  
B-1140 Brussels, Belgium















## THE POUND SPOT AND FORWARD

U.S.	1.7830-1.8120	1.7890-1.7970	0.21-0.31c	-1.7470 0.0-0.700c
Canada	2.1230-2.2520	2.1290-2.2220	0.50-0.80c	-2.497 1.35-1.490c
Nethld.	4.81-4.88	4.83-4.85	2.1-2.15c	-4.81 0.0-0.10c
Belgium	15.70-17.80	73.70-78.10	15-25c	-2.608 53-63c
Denmark	14.13-11.21	14.15-16.16	7.75-9.0c	-6.65 129-200c
Ireland	1.2025-1.2085	1.2000-1.2040	0.55-0.71c	-1.848 1.32-1.980c
W. Ger.	4.15-4.18	4.169-4.171	1.7-1.90c	-4.86 5-4.9c
Portugal	126.25-128.25	127.00-127.12	115-120c	-126.50 100-200c
Spain	100.00-100.50	100.00-100.55	75-85c	-100.00 200-230c
Italy	2.28-2.32	2.311-2.312	12-13 lire	-2.30 56-64c
Norway	10.72-10.82	10.75-10.76	31.5-47.0c	-10.71 31-34c
Finland	10.83-10.91	10.77-10.82	17.1-19.0c	-20.47 37-40c
Sweden	10.41-10.50	10.44-10.45	3.0c	-10.41 0.0-0.10c
Japan	29.27-29.52	29.45-29.46	2.65-2.75c	9.70 73.5-6.45 pm
Austria	29.27-29.52	29.35-29.40	15-11c	9.31 37-28c
Switz.	3.597-3.5981	3.595-3.56	37-22c	10.95 81-84c

Belgian rate is for convertible francs. Financial-19c 86.65-86.75,  
 six-month forward dollar 1.12-1.23c, 12-month 1.88-2.03c.

May 19	Day's spread	Close	One month	p.a.	Three months
UK†	1.7930-1.5120	1.7959-1.7270	0.21-0.31c ds	-1.74	0.60-0.70ds = -1.46
Ireland†	1.4845-1.5000	1.4945-1.4860	0.87-0.57c ds	-1.98	1.90-1.75 pm = -1.44
Canada	1.2380-1.2380	1.2361-1.2370	0.12-0.15c ds	-1.46	1.40-1.35 pm = -1.40
Netherlands	1.6140-1.6140	1.6140-1.6150	0.77-0.77c ds	-1.51	1.45-1.45 pm = -1.45
Belgium	43.70-43.70	43.81-43.83	4-7c ds	-1.50	14-18 ds = -1.50
Denmark	7.8840-7.8730	7.8870-7.8780	3-3½c ds	-4.78	7-8 ds = -3.25
W. Ger.	2.3075-2.3225	2.3200-2.3210	1.24-1.19pf pm	6.28	3.48-3.41 pm = -3.41

	May 19	Bank of England Index	Morgan Guaranty Index	May 18	Rate %	Drawing rights	European Currency
Sterling	89.6	-33.6		Sterling	0.698861	0.5719	
U.S. dollar	115.4	+6.6		U.S. \$	1.13193	1.0693	
Canadian dollar	86.6	-10.9		Canada	1.21	1.1788	
Austrian Schilling	86.6	-10.9		Austria Sch.	16.18497	1.7038	
Belgian franc	85.8	-1.2		Belgian F.	49.5515	45.0202	
Danish kroner	89.6	-12.4		Danish Kr.	16.46	15.5625	
Swiss franc	89.6	-12.4		Swiss F.	2.45148	2.3925	

Swiss franc.....	146.4	+95.5	Guider.....	8	2,915.94	8,842.97
Dutch guilder.....	115.5	+22.0	French Fr.....	9	1,455.40	6,122.26
French franc.....	78.8	-14.7	Yen.....	6	168,728.28	245,024.00
Lira.....	54.5	-58.2	Norwgen. Kr.	6	6,774.15	6,132.30
Peseta.....	157.1	-51.4	Spanish Ptas.	6	118,669.10	106,126.00
			Schweid. Fr.	6	1,683.31	1,407.58
			Italian Lira	51	2,239.43	2,056.11
			Greek Dr'ch.	201	17,673.31	16,511.15

\* CS/30R rate for May 18; 1.0258 = 100.

May 19	£	\$	Notes
--------	---	----	-------

Argentina Peso	2,358.38 2,693.1	0.405 0.4501	Australia	20.33 29.99
Australia Dollar	0.75 0.7040	1.3475 0.9494	Bahamas	26.25 27.07
Brazil Cruzeiro	268.72 899.72	160.28 161.08	Denmark	14.10 14.16
Finland Markka	8.09 9.18	5.1560 5.1410	France	10.88 10.10
France Franc	6.55 6.55	1.6667 1.6667	Germany	1.93 1.93
Hong Kong Dollar	10.27 10.27	6.7190 5.2930	Italy	2.683 2.7
Hong Kong Dollar	14.60 14.60	8.155 8.155	Japan	130 43.3
Iran Rial	0.3470 0.3105	0.2838 0.2680	South Korea	4.15 4.15
Lebanon Lira	78.70 78.70	43.81 43.81	Norway	10.75 10.10
Malaysia Dollar	4.113 4.194	2.2960 2.2820	Portugal	124 131.1
New Zealand Dollar	3.20 3.20	1.3593 1.3593	Spain	166.64 166.64
Saudi Arab. Riyal	6.10 6.17	5.4510 3.3330	Sweden	4.02 4.02
Singapore Dollar	3.7473 3.7573	3.0850 0.9870	Switzerland	5.34 5.34
Taiwan New Taiwan Dollar	2.48 2.48	1.3603 1.3603	U.S. Dollar	1.00 1.00
U.S. \$ Dirham	6.5995 6.5135	1.6715 0.7735	Yugoslavia	90.01 90.01

French Franc	Swiss Franc	Dutch Guilder	Italian Lira	Canadian Dollar	Belgian Franc
10,875	3,555	4,635	2318.	2,822	76.75
6,063	1,879	2,360	1267.	1,237	43.54
2,608	0,633	1,119	354.4	0,525	18.88
23.52	8,277	10.78	5363.	6,172	183.4
10.	3,268	4,262	2125.	2,043	72.41
3,059	1.	1,304	850.4	0,628	22.13
2,346	0,767	1.	498.8	0,478	16.99
4,704	1,538	2,008	1000.	0,961	34.06
4,893	1,600	2,086	1041.	1.	36.45
15.61	4,514	6,986	2836.	2,221	100.

## MAY 191

The fixing rates are the arithmetical means, rounded to the nearest one-sixteenth of the bid and offered rates for \$10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Paribas and Banco de Mexico. Guarantees for

### g Rates

mark	French Franc	Italian Lira	Belgian Franc	Franc CFB	Yen	Danish Krone
1980-81	30.40	181-201	10-17 1/2	14 1/2-13 1/4	63-7	20-20 1/2
1981-82	36.23	205-232 1/2	15-18	14 1/2-10 1/2	61-7	81-81 1/2
1982-83	52.39	241-261	16-17 1/2	14 1/2-10 1/2	61-7	201-201 1/2
1983-84	86.40	251-251 1/2	13 1/2-16 1/2	10 1/2-10 1/2	71-7 1/2	20-20 1/2
1984-85	25.43	251-251 1/2	15-16 1/2	10 1/2-10 1/2	61-7	201-201 1/2
1985-86	20-21 1/2	231-24	15-16 1/2	14 1/2-13 1/4	61-7	17-18 1/2

per cent; six months 12 1/2-13 1/2 per cent; one year 12 1/2-13 1/2 per cent;  
 2-yr 12 1/2-13 1/2 per cent; three months 12 1/2-13 1/2 per cent;  
 4-yr 14-14 1/2 per cent; six months 14 1/2-14 1/2 per cent; one year 14 1/2-14 1/2 per cent;  
 2-yr 14 1/2-14 1/2 per cent; three months 14 1/2-14 1/2 per cent; five years 15-15 1/2 per cent; nominal closing  
 rate; others two days' notice.

per cent; three months 14.50-14.65 per cent; three months 14.40-14.50 per cent; six months 14.50-14.65

## EUROCURRENCIES

## Eurodollars

previous auction on May 13. Bids totaled FFf 2,532bn, and the authorities allocated FFf 1,500bn. An auction of 18-month floating rate Treasury bills was also held, commanding an interest rate indexed to the monthly average call money rate, which is at present 16.6 per cent. The total amount allocated was FFf 151bn, on bids of FFf 7,310bn. A further

17 auction of three-month and six-month bills will take place on May 25.



## LONDON MONEY RATES

	of deposit	interest rates
Overnight.....	—	B-1½%
2 days notice.....	—	—
7 days or.....	—	—
7 days notice.....	—	15% 15%
One month.....	13% 13%	15% 15%
Two months.....	13% 13%	15% 15%
Three months.....	13% 13%	15% 15%
Six months.....	13% 13%	15% 15%
Nine months.....	13% 13%	15% 15%
One year.....	13% 13%	15% 15%
Two years.....	—	—

Local authorities and finance houses rate interest rates as follows:

Buying rate for prime paper. Buying per cent.

Approximate selling rate for one month 12%. Approximate selling rate for 6 months 12% per cent; one month trade Finance Houses Base Rates (published) and Scottish Clearing Bank Rates for 90 days 12% per cent.

Certificates of Tax Deposit (Series

Abbey Unit Tst: Mngers. (a)

[illegible]



## INSURANCE & OVERSEAS MANAGED FUNDS

**Quest Fund Man. (Jersey) Ltd.**  
P.O. Box 194, St. Helier, Jersey. 053427642.  
Quest Sels. Fnd. Int. £1,721 0.764 - 0.0311.78(0)  
Quest Int. Secs. ———— 30,877 0.944 - 0.271.22(0)  
Quest Intl. Bd. ———— 30,825 0.874 - 0.0412.54(0)  
Prices on May 19. Next dealing May 28.

**Gulter/Heinold Commodities**  
31-45, Graham Street, EC2V 7LH. 01-600 4177  
Resc. Fd. Int. May 4. 15.575.26 \*15.000 ..... 1 -  
Next dealing date June 1. - interim

Int'l. Income Fd.	\$18.26	0.46	-0.02	—
Int'l. Capital Fd.	\$30.29	1.14	—	—
North America Fd.	\$4.46	4.93	—	—

**Raminco Managers Ltd.**  
P.O. Box 1549, Hristu, Bermuda. (809-29) 3-7979

RAMINCO May 4	SR.86	919	—
<b>Richmond Life Ass. Ltd.</b>			
4 Hill Street, Douglas, I.O.M.		0624	29914
Silver Ts	1150.0	157.9	+2.2
De. Diamond Bd.	70.4	75.5	—
Starline Deposit Bd.	138.21	156.01	11.58

	Ailes Gift & Co. Fd.	129.2	72.9	---
	UK Gilr Fund	128.3	112.9	-0.6
72	Sapphire Trust	154.9	164.7	---
	Petronian Oil Trust	122.5	130.2	11.52
	Managed Fund	131.6	138.5	---
	Coin Trust	89.9	92.8	---
5	Gold Bond	147.5	207.4	+2.8

Rothschild Asset Management (C.L.)			
P.O. Box 58, St. Julian's Ct. Guernsey	0483 26331		
O.C. America Fd.t	152.33	2.47	0.81
O.C. Sm. Co.***	171.5	146.2	1.99
O.C. Commodity	79.1	84.1	5.53
O.C. Dir. Comdy.?	530.95	32.80	2.98
O.C. Hong Kong Fd.t1	116337.40	40.00 + 1.06	—

\*O.C. International Reserves Limited

Bel. Francs (Fin.)	754.30	Italian Lira	2,947.56
Canadian \$	92.85	Singapore \$	58.960
D-Mark	47.30	£ Sterling	12,170
Dutch Guilder	0.240	Swiss Francs	44.262
FRENCH FRANCS	130.47	U.S.S.	25.955

\*\*Prices on April 21.      Next dealing May 14.  
 \*\*\*Prices on April 30.      Next dealing May 14.  
 \*\*\*Daily dealings.      \*\*\*April 15.      \*\*Dealings every week.

**Save & Prosper International**  
Dealing in  
P.O. Box 73, St. Heller, Jersey 0534 73933  
**Fixed Interest Funds**

Deutschmark Bd	DM9.55	10.12	-0.01	5.43
Dlr. Fnd. Int. est.	\$7.71	8.18	-0.19	9.78
St. Franc. Inst.	106.90	106.90	0.00	13.10

Yes Bond	17197	1263	+6	3.9%
Equity Funds				
UK Growth Fund	96.9	107.4	-2.7	2.0%
Internat. Gr.	59.77	10.57		
Far Eastern	55.39	17.72		
North American	55.16	6.67		
Sepro	53.745	18.07		

Commodity Fund	197.8	103.2	8.02
Gold Fund	59.18	9.98	0.17
Multi-Currency Reserve Fund			
U.S.S.	1.00		14.15
D.Marks	10.00		7.31
E.Stirling	1.00		12.10
Yen	1.000		5.25

Deposit Fund  
St. Deposit ..... 155.2 155.4 ..... 0.16  
May 11. May 29. May 14.  
May 21. (Weekly dealings.) Daily dealings.

Schroder Mngt. Services (Jersey) Ltd.  
P.O. Box 195, St. Heller, Jersey. 0534 2756

**J. Henry Schroder Wagg & Co. Ltd.**  
120, Cheapside, EC2. 01-588 4000  
Am. In. Trs. May 12 1958 22  
Asian Ed. April 26 1958 25

Cheapside May 14	\$13.83	2.88
Darling Fd. May 19	\$52.76	2.94
Japan Fd. May 13	\$9.99	10.73
Tredalgar Fd. April 30	\$21371	---

**Schroder Unit Trust Mgrs. Int. Ltd.**  
 Box 273 St. Peter Port, Guernsey. 0481 28754

Mind. Curncy.	504.1	529.3	7.52
% Fixed Interest	530.8	557.3	8.85
% Equity	105.7	112.0	5.92
% Fixed Interest	106.1	112.4	8.76
% Equity	82.2	87.1	1.12

Schroder Life Assurance Int. Ltd.			
Mind. Curncy Life Fd	497.6	529.3	7.52
% Fixed Interest	447.3	515.8	8.51

50	Equity Life Fd	105.3	112.0	3.50
40	Fixed Int Life Fd	105.7	112.6	8.70
30	Equity Life Fd	81.9	87.1	1.12

Prices on May 19. Next dealing May 26.

**Scrimgeour Kemp-Eee Mngmt., Jersey**  
 2 Chancery Lane, London, W.C.2, England

1	Waddington Global Growth Fund	172.8	178.0	.....	—
2	SKG Capital Fund	48.7	50.3	.....	9.30
3	SKG Income Fund	123.4	129.9	.....	—
4	Gift Bond				

48. Sentry Assurance International Ltd.  
P.O. Box 1776, Hamilton 5, Bermuda.

Managed Fund.....[54.0537 4.4591] ..... -  
Signal Life Assurance Co. Ltd.  
Ocean Heights, Queensway, Gibraltar. Telex 2332  
Growth Strategies Fd.....[52.71 2.71] ..... -

Singer & Friedlander Ltd. Agents.  
20, Cannon St., E.C4. 01-248 964.  
Dekafonds: 10421.71 22.85 -0.01 6.8  
Tokyo Tsz. April 29... \$42.00 ..... 2.63

Strategic Metal Trust Mngers. Ltd.

**Flouring Japan Fund S.A.**  
37, rue Notre-Dame, Luxembourg  
Flouring May 11..... \$50.63 | ..... | ..... | .....  
**Frankfurt Trust Investment-GmbH**

**Wescom 1, D-6000 Frankfurt.**  
 FT-Interzins **DM99%** 41.76 +0.03 —  
 Frankfurt Effekt. Fd. **DM8.35** 56.16 -0.39 —

**Free World Fund Ltd.**  
 Butterfield Bldg., Hamilton, Bermuda.  
 NAV March 31 **\$149.86** | .....|

London Agents for:			
Anchor Gls Edge	103.83	8.85	-0.05
Anchor Int. Fd	57.47	1.67	
Berry Pac Fd	562.71		

Berry Pac Strg	\$A.20	4.42	1
G.T. Asia Fd	H320.11		1
G.T. Asia Sterling	£28.91		1
G.T. Ausstrale Fd	A\$26.80	+0.05	2
G.T. Bond Ford	\$30.93		9
G.T. Dollar Fd	\$11.90		1
G.T. Dr. (Strg) Fd.	\$14.64	15.55	1
G.T. Invest. Fd	\$16.20	-0.16	0
G.T. Invest Small Cap	\$15.85		

4	G.T. Technology Fd.	\$23.15	
5	G.T. Pacific Fd.	\$14.51	0.16
7	G.T. Asian Growth Fd.	\$10.42	0.11

6 Gartmore Invest. Ltd. Ldn. Agts.  
2, St. Mary Ave, London, EC3. 01-283 35  
Gartmore Fund Managers (C.I.) Ltd. (a) (b)

411 Broad St., St. Peter, Jersey.	85.01	12
Garbano Fund Managers (Far East)	Ltd. (a)(1)	
1508 Harrison Hce., 11th Floor	H. Kopp	
Australia Tst.	55.50	1
HK & Pac. U. Tr.	100.15	2
Japan Fnd.	521.33	2
N. American Tst.	519.30	0

Ind. Bologn. Forni	11.199	9
Barbieri Fanci Managers (IOM) (a)		
P.O. Box 32 Douglas, Isle of Man	Tel. 0624 239	
Gartmore Int. Inc.	19.5	20.5
Gartmore Int. Grth.	139.3	148.0

**Assicurazioni GENERALI S.p.A.**

P.O. Box 132, St. Peter Port, Guernsey, G.I.  
 Starting Managed Fund £117.79 123.99 .....  
 Dollar Fund £108.73 114.48 .....  
 .....

Upper 100      Lower 100

Price at May 12    Price ending May 27.

\* Yield before Jersey tax. † Ex-administrator  
fees only available to charitable bodies.







per annum for each security



